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VIEWS AND REVIEWS

I

THE attempt to organize Russian politics by trades and classes has developed among our radicals a lot of suggestive discussion of governmental forms—discussion which, for once, does not find forerunners in the annals of our National Municipal League. We talked about the recall years before the nation heard of it, but we have never talked of soviets or guild socialism and like everyone else are caught unprepared for onslaughts upon the very axioms of democracy. Admitting as we do that our democracy is far from perfect, we cannot defend it in its present state as passionately as do the tories. And when we trot out our orderly little list of reforms designed to make our democracy so responsive, obedient and efficient that the lawful traditional route will be the shortest and easiest way to anybody's utopia, we are curtly dismissed by the radicals with the condescending explanation that these are mere bourgeois reforms.

They are not bourgeois reforms; their advantages accrue uniformly to all kinds of movements. But it is true that the constituency of almost all civic reform movements is made up of well-to-do business and professional people.

It is a stigma that has been flung at us before. The politician, securely grounded in his purposely shabby free headquarters and his wide cosmopolitan acquaintance, often voices his forgivable sense of superiority in democracy over the "high-brows" of the city club, he appeals to class prejudice against the high-brow programs and sets up the conflict as one between "us common people" and "yonder kid-gloved millionaire-financed dilletantes." That such characterizations have nothing to do with the merits of the program at issue does not prevent them from often swinging elections or blocking progress. Civic associations often reach out an embarrassed ineffectual hand toward organized labor and keep their dues as low as possible. We know of dollar-membership civic organizations which hook arms conspicuously with labor or farmer leaders by reason of successful personal approach by their secretaries, but their finances betray the fact that their ostensible constituencies are not real. If we reduced our dues as we probably ought, our National Municipal League, though expanding in size, would alter little in its basic single-class character.

We are not deploring it altogether; it means only that most people, pressed in the struggle for a living, consider

that they have no leisure, energy or money to devote to political reform. Participation in civic activities, particularly of the academic type, is a taxable luxury which most persons deny themselves. The occasional fanatic who neglects wife and children in a passion for public work, does not excite admiration.

And so civics remains bourgeois!

II

But if these reasons for the limited single-class interest in civics seem reasonable, are they conclusive? Must it always be so?

Contradicting all experience, here comes the Farmers' Non-partisan League with its $16 membership fee successfully and repeatedly collected from "low-brows." Sense of grievance or class spirit will not adequately explain that, nor will political salesmanship! How many towns have discovered in a Red Cross drive a tremendous new array of "joiners" and "givers." A Chicago settlement is reporting that it finds unexpectedly important support among neighborhood shopkeepers and tenement dwellers. The associations and charities that always had begged for small change and trivial attention were astounded during the war at the giving-power and working-power of the whole public as distinguished from the familiar shining marks. Mr. Buttenheim shows sleepy chambers of commerce that they can make their dues ten times as big and multiply their membership too.

III

To convert civics from the plaything of the business and professional classes to a mass movement of universal interest is largely a question of preaching our proposals of reform in terms of a high crusade for liberty rather than in the terms that appeal most to these classes. The initiative, referendum and recall spread with amazing rapidity without much bourgeois support because the intent of those devices of government was obviously liberty—not "lower taxes" or "business-like government" or "efficiency," the type of catch-phrase that the merchant and the lawyer are quickest to appreciate. Proportional representation benefits in the same way to a lesser extent and has long enjoyed socialist and labor recognition. The other reforms must emphasize the same line of thought, although to bourgeois minds such talk seems less practical and convincing. The propaganda for the city manager plan, for instance, has been persistently couched in terms of democracy, yet the typical chamber of commerce director will promptly discard that material to praise its "business-like" advantages and wonder vaguely why labor does not forthwith enthuse. On behalf of the non-partisan municipal ballot, it is pleasantly urged that national issues have nothing to do with local ones, thereby missing the chance to stir common blood with the revelation that a partisan ballot gives the machine a 30 per cent head start. A forum audience will be cool to the short ballot idea when described, as it so often is by unschooled defenders, as a scheme of giving the governor power to choose his own cabinet, but the applause comes when the long ballot is pictured as an ambush whence the people get potted!

Unquestionably modern civics can be popularized but it will require shooting over the heads of many who are the surest and promptest friends of civic reform and giving to the propaganda what will seem to them an almost fearsomely shirt-sleeve manner!

Richard S. Childs.

THE HOUSING SHORTAGE

BY JOHN J. MURPHY

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I

WERE it not for the fact that housing shortage is testified to by so many unimpeachable authorities, one might be pardoned for doubting its existence. Save for the normal increase of population due to births, there are no more people in the United States than there were three or four years ago. Not alone has immigration stopped, but the tide has turned the other way. Hence housing shortage must be regarded as sporadic and not universal. For every new house required by a family in a newly congested area, there is probably a vacant old house somewhere. The war merely accelerated to a tremendous degree a tendency of population to concentrate already arousing much misgiving among the thoughtful. The "back to the land" movement has been overwhelmed by the "forward to the city" movement. Wages which seemed extravagant even to city dwellers exercised their normal effect upon country people to whom they must have looked phenomenal. To many of them it must have seemed that they would only have to work for a year or two for such wages in the city and then return to their country homes to live for the rest of their lives on accumulated capital. They little dreamed that the cost of living had risen higher than the price of labor.

The first effect of the influx was, of course, to cause spirited bidding for the accommodations available, with incidental increase of rents all around. The workman, proud of his increased earning ability as expressed in dollars, sought accommodations of a character more costly than he had been accustomed to inhabit. In New York, for example, the cheapest type of tenement apartment became a drug on the market. It had been formerly occupied and then vacated by immigrants coming to live in the city. Under the new dispensation nobody would take it at any price, with the result that tenements which would accommodate one hundred thousand people lie idle. These accommodations, while not so bad as to come under the ban of the law, are nevertheless generally of low grade.

The city confronted with this problem had no machinery to meet it, because the problem had never arisen hitherto and governments are only equipped to deal with things that have happened. The only relation of the American city to housing is one of restriction; to limit the area of lot which may be occupied, to require light and ventilation, and to insist on a sufficiently stable form of construction to ensure that buildings will not be dangerous to their occupants or passers-by. The cities had left the question of providing houses entirely to the operation of the law of supply and demand. Private agencies were in a rather helpless condition when the demand came. The needs of the war had absorbed a large percentage of the floating capital. Labor was dear and scarce; building materials commandeered by the government in many places, and bringing prices unheard of a couple of years before;

clearly, only buildings holding out prospects of extravagant returns would be projected or constructed. The cost of building had advanced from 35 to 75 per cent, according to the type and size of buildings, the percentage of increase being greater for small than for large buildings. The only factor which depreciated in price was vacant land, because landowners, having to pay taxes and being unable to derive revenue from their land, were more inclined to sell.

Under the circumstances many political and public bodies were organized to take action, but most of their activities were mere benevolent gestures calculated to impress the rent-paying public with the fact that these bodies were sympathetic. Indeed their activities in some respects were harmful rather than helpful. They tended to impress the landlords with the extent of their power by making the shortage seem more acute than it actually was and by raising the cry of "profiteer," they discouraged persons who might have been induced to go into building investment from doing so, because in other avenues of investment capital was being employed at larger returns without bringing reproach upon its owner. The one thing which the cities might have done which would actually have relieved the situation was not done by any of them so far as the results show.

II

In the early part of this paper it was pointed out that the chief relation of government to housing is one of restriction. To the extent that restriction requires safe and sanitary construction, it is a public necessity, but there is a form of restriction which is always more or less an evil, but particularly so at a time like the present. This restriction is the taxation levied upon buildings. There is no doubt that this form of taxation even in normal times tends to prolong the life of old buildings and prevent the erection of new ones; but at a time like the present it ought to be obvious to the least thoughtful that such restriction should be removed until building has caught up with normal demand. The suggestion has come from most responsible quarters that new buildings erected within the next two years should be exempt from taxation for seven to ten years. Such a policy would greatly stimulate building.

It may be presumed that if it had no opponents it would have been adopted. Its opponents are chiefly those who believe that such a policy would give rise to serious discontent on the part of owners of existing buildings who would protest against being called upon to pay taxes on their own buildings if there was a tax-free building alongside. The force of this objection may be conceded, but it must be remembered that the abnormal rise in prices has given a great bonus to owners of existing buildings. Another objection comes from those who view with suspicion almost any proposal which seems to point in the direction of what is known as the single tax. To those it may be answered that if a proposal has value it should not be condemned because it is merely a minor plank of an obnoxious platform. We would still be miles away from the single tax which proposes to eliminate all taxes excepting a tax upon land values.

Pittsburgh and Scranton are examples of cities which have gone some distance in the direction of exempting improvements and the report is that they are satisfied with their experiment. If the policy should not work out as anticipated, repeal of the

measure would be easy. Of course, there is no answer to those objectors, if what they fear is that the proposal may be so beneficial, that the people would want to extend it and make it permanent.

After more than a year's study I have found no other way which offers any practical solution of housing shortage. The public must choose between this solution and the struggle for years with the problem of constantly rising rents and the acceptance of deteriorated conditions, for landlords will not only raise rents but will refuse to keep their buildings in the comparatively good condition that has obtained for some years back, when instead of tenants seeking accommodations at any price, landlords were seeking tenants. Competition among landlords for tenants is the most effective regulator of upkeep and rents.

PUTTING THE PUBLIC INTO PUBLIC HEALTH

BY CARL E. McCOMBS, M.D.

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I

Ask any group of public health workers how to secure efficient public health administration in our cities and almost invariably two bromidioms will be elicited in reply. These are: "Educate the public to demand efficient health administration" and "Take the health departments out of politics." At first glance both of these answers seem to be sound and appropriate, but if we analyze them more closely it will be apparent that they are absolutely incompatible. Let us suppose that the public has received all the education in public health matters possible, and that it demands efficient public health service. How is it going to get it if we "take the health departments out of politics?" What means has the public for enforcing its demands? "Public opinion," you say; but what does public opinion amount to unless that public opinion is capable of being expressed at the polls and in the ballot? If education of the public in health matters is essential—and this goes without saying—then, instead of taking health departments out of politics, we must put them *into* politics and give our educated public an opportunity to secure through the ballot the kind of health service it wants. If the public wants efficient health administration—it can have it; if it doesn't want it, no power on earth can force it to accept it.

From the very beginning of health administration in this country, the efforts of those who strove to make health administration adequate and efficient were directed toward developing a type of health organization which would be as far removed from political influence as possible. In order to take health legislation out of the hands of politically selected municipal councils or boards of aldermen, boards of health have been created with broad powers to devise health regulations. It is argued in defense of this idea that the municipal council, board of aldermen or other municipal legis-

lative body is a political body; that it is not adequately informed in public health matters; that its members are more influenced by partisan politics and so it is necessary to have a board of health which can act independently of the municipal law-making body in devising and putting into effect the necessary health legislation.

II

The arguments thus made in behalf of this method of health administration are all defensible but the conclusion that an independent law-making body is essential is not sound. How can we ever have municipal legislative bodies, non-partisan as regards public health, informed as to public health, and prepared to pass the necessary health laws if we take away from such bodies the opportunity of becoming informed, intelligent non-partisan supporters of the public health movement? Furthermore, since the municipal council is a body elected by the people, what body is better adapted to carry out the will of the people as regards health laws? If we believe in our democracy, if we believe that our government is a government "of the people, by the people, and for the people" then the people ought to be made co-responsible with the officers of government whom they elect, for the efficiency of the government.

We hear much about how to get efficient democracy—and all sorts of schemes have been devised to make it efficient—by instituting elaborate systems of checks and balances; by creating all sorts of boards, commissions, and committees to divide responsibility on the theory that two heads or several heads are better than one; by sidetracking responsibility of government officials in one way or another. All of these devices have failed and will always fail for the element of true democracy is not in them. Talk of educating the public to demand efficient government is balderdash if it does not mean education in the intelligent use of the ballot and then an opportunity for the public to use it. Talk of efficient health administration is breath wasted unless health administration is made responsive and responsible to the will of the people. The way to improve municipal health administration is not to "take municipal health departments out of politics"—but to throw them frankly into politics and let the public determine whether it wants a healthy city or an unhealthy one!

It is most important in developing this idea of responsive and responsible health administration that the organization of a municipal health department shall be so made that responsibility to the public will be directly placed upon the elective officers of the city. There should be no part time, near paid boards of health, robbing the elective municipal legislative body of its legitimate functions of health legislation. On the contrary, full responsibility for health legislation should be fixed, where it rightfully belongs, on such elective legislative body. There should be a commissioner of health or health officer appointed by the mayor or head of the city government and responsible directly to him—not to any other board, commission or committee. Then and only then can the public exercise suffrage competently. Then if health administration is a failure, those responsible for its failure are readily reached by the voters.

But, you say, the public is not yet sufficiently informed about public health matters to act intelligently in

removing from office those who have failed adequately to safeguard the public health. Even granting that this be true—and there is no reason to believe that it is true—there is only one way for the public to learn to use the tools in its hands, and that is by using them. The public will go wrong—it does go wrong time and time again—but it can learn only through its mistakes and it does learn, depend upon it.

III

So instead of trying to take municipal health departments out of politics, let us put them into politics! Let us put the public into public health! If we believe in representative government, why not make our city governments represent something besides themselves? Heads of city governments have been elected because they promised reduction of the tax rate but without any declaration as to how they would reduce it;—they have been elected because of their promises to give the city new streets, new systems of transportation, new public buildings and what not. And when they have failed to live up to those promises they have not often been re-elected. But so far as the writer knows, no candidate for public office has ever been asked what he is prepared to do for the health of the community. The time is coming,—and it is not far off,—when the candidate for public office will be obliged to declare himself on something besides the tax rate and other usual "issues" of the political campaign. He will be obliged to say what he will do for the health of industrial workers; what he will do to prevent unhealthful housing conditions; what his attitude is with regard to hospitals and dispensaries; how he will contribute to the prevention of infant mortality; what he will do to guarantee a clean pure milk supply. These are campaign issues of vital importance and the public knows it. As a matter of fact the public does know more about health than the politicians. The widespread propaganda for health has not been wasted effort.

Given a mayor or head of a city government and a board of aldermen elected on a platform which embodies the demands of the public for adequate health protection—and given a trained health executive appointed by the mayor as the technical head of the health department, health work can be properly developed and financed. But unless these things are done such progress as is made will be halting. There will be no certainty that the efficient work of one administration will be continued in the next administration. One need not go beyond New York City to find proof for this statement.

Let us suppose that all of the organized groups of citizens in a given community, including the medical societies, the nursing associations, chambers of commerce, labor unions, women's clubs, fraternal organizations and other civic and social agencies, were to come together and agree upon a health program based on certain broad general principles—all petty differences of opinion being laid aside. Then suppose this program were given wide publicity so that everyone in the community would know about it. Suppose, too, that candidates for election to municipal office, mayor, aldermen, etc. were required to approve or reject this program as one of the campaign issues, not by vague generalizations or by inference but definitely and by direct statement which may be made a matter of

record. If the publicity campaign were properly conducted, it is pretty certain that the candidate who failed to make this health program a plank in his platform would stand little chance of election. The public wants public health—there is no mistake about that—and if it is given an opportunity to find out what the health issues are and an opportunity to use its vote intelligently, it will demand public health in no uncertain tones. This is the way to put the public into public health.

CITY PLANNING IN FLESH AND BLOOD

BY WHITING WILLIAMS

Formerly Secretary Cleveland Federation for Charity and Philanthropy

Among our large cities Cleveland easily ranks first in the enterprise and forethought with which it has attacked its humanitarian problems and taken care of its people. This article sketches its history along these lines. :: :: :: :: :: :: :: :: ::

"THE city of the future must not be allowed to *happen*."

The words are those of ex-mayor, now Secretary Baker. Their context gives them especial reference to the civic activities which directly affect the welfare of the city's human beings.[1] It is hardly too much to say that this thought has been more definitely and continuously at the back of the civic mind of Cleveland than of any other of our larger cities. It may be suggestive, accordingly, to take a look at Cleveland's development in the city-wide organization and co-ordination of its resources for the solution of its human problems and the general betterment of its people.

The harnessing of one man-power with another and another in the manner called organization is for the most part the child of necessity; it is born in the travail and stress of great crises when the threat of some common disaster must be met with all the strength the group can by every means furnish and make effective. Thus after the formation of the civil government, a little public library and a modest school, one of the first great threats affecting alike the lives of a group of Cleveland's citizens was presented by the trying winter of 1827 when the workers completing the Lake Erie—Ohio River Canal found themselves in serious financial straits. So, also, in the early thirties the crisis of cholera epidemic brought into being a "public health committee." This body proceeded to make what must have been a very sad beginning of the now common practise of spending city money for welfare purposes; it bought at public expense a *public hearse!* Its active use resulted in the establishment of several orphanages. A little later the nation-wide financial crisis of '37 required the town's united powers for the relief of the prevalent destitution. Still later the Civil War called into life a great number of hospitals and other organizations.

So through the decades up to the seventies and eighties the story of organization is the story of emergency

[1] "The Challenge of the City," N. D. Baker, The Social Year Book, 1913; The Cleveland Federation for Charity and Philanthropy.

recognized and at least to some extent met. By that time the whistles of the town so advantageously located "where coal and iron meet" began to be heard, like the shots at Lexington, around the world. Small chance indeed for the *planning* of a city!

With the pouring in of multitudes anxious only to get as close as possible to the factory gates, the emergency became chronic!

Under such circumstances it was difficult enough to keep within even a few laps of the most obvious and mechanical responsibilities of governmental or civic administration. In many connections the report of years of effort on the part of a few leaders had to be summed up in the words once used—not altogether sadly—by a chamber of commerce committee secretary, "An atmosphere has been created." For that reason it is almost useless to try to ascribe parenthood to the different activities set in motion for the handling of the various situations which had to have attention.

THREE FORCES FOR PROGRESS

It is certain that, among many, three of the chief sources of impulse for the more broadly organized effort on behalf of the city's flesh and blood were Mayors Tom Johnson and his successor Newton Baker, and the chamber of commerce. The last, naturally, has had the longest connections with the famous "group plan" for the buildings to form Cleveland's civic center. The success of this dream has undoubtedly helped immensely to the pursuit of less tangible civic objectives. Although far from always in agreement with each other on public policies, the three have all been remarkable for their interest in the human concerns of a modern city.

"When Tom came in, all the parks —and they were far from as numerous then as they are now—were covered with 'Keep off the grass' signs. They didn't last long with him, I can tell you!" is the way any Clevelander is likely to describe one of the earliest of the doings of the "People's mayor."

Great numbers of public tennis courts were put in the parks as well as attractive baseball diamonds. City hall approval was given to the organization of the Cleveland amateur baseball association. This became a very flourishing organization, often staging free games in Brookside Park for crowds of 80,000 and over.

Mayor Johnson's connection with the establishment of three-cent streetcar fare is too well known to require mention here, as is also, doubtless, his realization of a colleague's dream in what is known as "Cooley's farm"—where, scattered about at suitable distances on the top of a beautiful ridge are to be found the city workhouse, the infirmary, and the tuberculosis sanatarium, all maintained with the help of the recreating, outdoor labor of the prisoners.

The rewriting and humanizing of building and sanitary codes were other advances accomplished by the three forces mentioned though begun in the time of the man whose monument to-day relates (not without opposition and denial) that

> He found us groping leaderless and blind
> He left a city with a civic mind.
>
> He found us striving each his selfish part
> He left a city with a civic heart.

In the two terms of Mayor Baker municipal ownership and management extended farther into the field of electric light and power, supervised playgrounds, bath houses at the beaches, supervised private dance halls, three-cent lunches, and chaperoned public three-cent dances in the

parks. All these and more, together with employment and immigration bureaus, were in 1913 made part of the new charter which represented in its welfare department the farthest advance at that time in the acknowledgment of the city's responsibility for the active promotion of the happiness and good of its men, women, and children.[1]

THE CO-ORDINATION OF BENEVOLENCE

It goes without saying that the extremely rapid influx of foreign populations—in 1910 the proportion of foreign-born and born of foreign parents was 75 per cent[2]—called into being a great number of more or less organized private benevolences. The chamber of commerce was the first in the country to see the need of working with these not only for the elimination of the needless or unfit but also for the co-ordination in some measure, of the others. Its example has been followed by business men's organizations in nearly three score other cities since. Out of the attention to this field soon came the country's first serious study of the nature and boundaries of the financial support of these enterprises —with the discovery that contributors of $5 or more constituted less than one per cent of the population! From this followed in 1913 the benevolent associations committee's establishment of the Cleveland federation for charity and philanthropy.

It is not too much to say that this organization has done more than any other to secure from a large city's population something like the attention deserved for its complex problems of human well-being. The interpretation of these problems and of the work being pressed for their more or less partial solution was made the basis of the federation's program for the city-wide development of the desired financial support and constructive progress.[3]

As a means of better team-work between the allied philanthropies and the city government, as well as other civic bodies not primarily concerned with benevolence, a welfare council was organized for the exchange of welfare information and plans on a completely city-wide basis. Early in 1917 its function was taken over by the federation which has widened its responsibilities under the new name of the welfare federation of Cleveland. Its scope is indicated in the representation of the sixty-six benevolences for which it assumes the financial burden and twenty others, such as the chamber of commerce, municipal league, the various federations of

[1] Other cities organizing welfare departments since then are: Denver, Houston, Dallas, St. Louis, St. Joseph, Omaha, Duluth, Chicago, Dayton, and Columbus.

[2] The Americanization sub-committee of the mayor's war relief committee makes the claim that Cleveland was in 1910 the most foreign large city in the country in proportion to its size, only 21 per cent of males of voting age being native born, and only 44 per cent of those foreign born being naturalized. A story goes that in one section of the city the judges of election, all of whom had been naturalized, once refused a born American the right to vote, etc., because he could not produce naturalization papers!

[3] The aim of the entire publicity program was set forth in the "Social Year Book" of 1913 which Professor F. G. Peabody said "made an epoch in American Charity," as follows:

1. To show the city's problems in their broadest and deepest reaches and at the same time to reduce them to their simplest factors;

2. To describe the city's activities and agencies which have been organized at various times and are now united in an attempt to solve these problems;

3. To secure the interest of every person in Cleveland in these problems and in the activities and agencies aimed at their solution as *his* or *her* problems and *his* or *her* activities and agencies.

churches,[1] women's clubs, labor, and Jewish charities, the Cleveland foundation, the city departments of safety and of welfare, the board of education, the courts, etc., etc. Its broad interests are also indicated in its committees on recreation, delinquency, standards of living, social legislation, education, health, and public administration.

The federation, under both the old and the new names, has accomplished much in the way of co-ordinating the work of the various agencies acting mainly through subsidiary functioning groups. Illustrations of these groups are the hospital council, the conference on illegitimacy, the association for the crippled and disabled, the council of girl workers, the children's conference, the negro welfare association, and the committee on delinquency, recreation, institutional efficiency, and budget planning. These groups are representatives of the various forces interested in the problems indicated and have studied their problems, mapped out programs, established standards, eliminated waste and friction, increased co-operation, and efficiency, initiated co-operative purchasing,—in short developed the "Team work for a better Cleveland" which is the federation's fundamental principle.

The welfare federation is thus the final outcome of the chamber's original belief that public welfare work, even though maintained by private effort deserves and requires some kind of public oversight. As indicated by its components and committees, the federation embodies the democratic ideal of completely city-wide co-ordination for securing the uttermost effectiveness for all the resources organized to meet the huge, complicated, and serious human needs of a city. The thought has been to pass the work over to city direction and support as fast as the city treasury and public methods permit, the private energies to continue free for social exploration and pioneering.

The war chest is the result of applying the federation plan of financing to war needs. Over 300 American cities adopted this form of securing sufficient funds to cover the needs of war charities by one big drive, reaching the entire community and securing from each person according to his ability. The Cleveland victory chest drive of May, 1918 secured over $10,000,000 from 300,000 contributors, a gift from every third inhabitant and averaging $33\frac{1}{3}$ each.

FUNDAMENTAL STUDIES

The very important duty of learning the fundamental nature of some of the larger civic problems has been assigned by the federation to one of the constituents, the Cleveland foundation. Organized by a trust company but with its control in the hands of the three of its five trustees who are appointed by public officials, its survey committee has endeavored to secure an intelligent public by making intensive studies of such vital matters as the schools and, later, recreation. Though only established in 1913, a total of something over fifty millions has already been arranged to come into the foundation's possession for the common good after various heirs have enjoyed the income for the different periods specified.

Such a fund and such a method of scientifically studying the basic needs of the community will immensely lessen the hitherto haphazard defini-

[1] The federation of (200) churches, among other good things, enforces a rule forbidding the location of new church enterprises within a third of a mile of an old one. Its social betterment committee deserves much credit for the elimination of the segregated vice district.

tion and assignment of testamentary benevolent funds. By calling attention to some of the larger root problems, also, it will greatly help to lessen in the future the chief obstacle in the way of the alliance of the welfare activities of every city—the highly personal and fortuitous initiation of benevolent activities.

In a city so engulfed by new populations from other lands almost every conceivable kind of agency has had abundant opportunity to dig itself into the sympathy and the more or less close personal relationships of enough of the public to insure a more or less precarious existence. The particular welfare problem discovered by it and, for a number of years given attention by it and it only, comes quite naturally to seem to be its own peculiar possession and property. When, accordingly, a slightly different alignment of forces or distribution of function is shown to be desirable from the point of view of the welfare and progress of the community as a whole, an almost unbelievable distaste for team-work and "city planning" is evinced.

At the very bottom of the development of the idea or practise of city planning in flesh and blood, therefore, is the recognition of the fact that public welfare is a public problem in which no institution can claim permanent rights, and that neither financial nor moral support can be asked broadly without a broad and comprehensive presentation of the facts involved;—that furthermore neither cure nor prevention can be successfully accomplished by anything less than a socially informed and interested public. It is the unwillingness of a large part of the country's social workers to agree to all this that underlies the comparative scarcity of such city-wide co-ordination of organized effort as Cleveland exhibits. Doubtless it will some day soon be common—perhaps taught in the colleges as "Human engineering."[1]

"CLEVELAND CO-OPERATES"

Because city-wide integration is so difficult in this field where individualistic and haphazard effort has retained so powerful a hold, the demonstration of its feasibility and effectiveness naturally proves notably influential in other field of the city's life. Probably in no other city is there such a spirit of co-operation between the different organizations of every kind as in the first federated community. When the passage of the bond issue for the city auditorium seemed highly important, a "committee of one hundred organizations" was called into existence. Its work was so successful that it was later set up for the passage of street-paving bonds—with equally satisfactory results. For four winters the secretaries of a number of important organizations have been meeting together very informally for the discussion of the technique of "secretarying" and other matters touching the particular groups they serve and the good of the city's people in general. "Cleveland co-operates" is the slogan chosen for the city by this group.

Later exhibition of the fruit of such practise in co-operation is the city's record in regularly exceeding by wide margins its Liberty bond allotments and its Red Cross quotas.

These various purposive co-ordinations for betterment here noted are only a few of those which might be mentioned. Numerous and signifi-

[1] The charity or welfare federation movement is now established in sixteen or more cities such as Detroit, Louisville, Cincinnati, Baltimore, Dayton, etc.

cant though they are, they lack of course the tangibleness which marks the progress of the brick and stone kind of city planning. They do not exhibit the precision and the definiteness with which one after the other the huge municipal buildings take their places on the Mall according to the program arranged decades ago. But at least it can be claimed that Cleveland has "created an atmosphere" for a community program of people-betterment. Indeed it may be said that it has a program, has organized for that program's fulfillment, and is now operating towards that fulfillment. Doubtless the details of organization will see many changes as things impossible a few years ago become possible, through better understanding of both problem and technique. Just now the indications are good that the near future will see a unified, or at least co-operative, program in both brick and stone and flesh and blood on the part of such groups as the welfare federation, the chamber's committee on housing and the city planning commission. Perhaps to this group will be added such other bodies as the committee on industrial welfare, the employment managers, the newspapers, and others.

THE OPPORTUNITY TO CATCH UP

Considering the hugeness and the suddenness of the increase which brought the "chronic emergency" to our cities, it is not strange that they have been "allowed to happen." This inflow is now temporarily checked comparatively speaking—in spite of the recent influx of southern negroes. The "emergency" is still far from met. But there is surely a greater unity of spirit amongst us as the result of the common danger and of the war's inescapable demonstration of the inevitableness of marching together in all the fields of national life for the support of a victorious firing-line. With all these favoring circumstances there should be at least a few leaders in every city who will see in the present a time extraordinarily favorable to the *prevention* of future emergencies by far-sighted, purposive alignment of all the forces promoting the physical and moral well-being of the whole body of citizens. Until these human emergencies are not only remedied but prevented the "social sciences" will hardly deserve their name.

One of the arch self-starters of the French Revolution, Rousseau, said "The city becomes the charnel house of the human species—it becomes necessary to renew it and it is always the country which furnishes the new life." It is certainly too late now for us to follow his further advice and send our children to the country for the strength and inspiration of the rural surroundings. Besides, Richard Watson Gilder has shown us a better resource—one whose co-ordinated utilization will not fail to be sufficient to our cities' needs:—

> On love of city we here take our stand.
> Love of city is no narrow love;
> Who loves it not, he cannot love his land,
> With love that shall protect, exalt, endure.
> Here are our homes, our hearts,
> Great God above!
> The city shall be noble, shall be pure!

A NEW TYPE OF DIRECT PRIMARY

BY RALPH S. BOOTS, PH.D.
Columbia University

The elaborate and voluminous thesis which Dr. Boots wrote on the actual operation of direct primaries in New Jersey in 1916 indicates him as the closest student of the subject at the present time and the one who is best prepared to work out just such a constructive plan of salvation for the primary as he here proposes. :: :: :: :: ::

ONLY a few states have obdurately resisted the claims of the direct primary, which, as a generally accepted remedy for certain political ills, has swept over the United States within the last two decades. Indeed, the reform was successful in a majority of the states during the first dozen years of the century. It seems that no state has adopted the direct primary since 1915 and that only three have been converted to it since 1913.

And all is not well, apparently, with the direct primary. Recently have arisen reports disquieting to those whose faith in this newer instrument of democracy was wont to be unshaken. For the last three sessions of the New York legislature there has been talk of a partial return to the convention system. The Republican state executive committee in March of this year vetoed favorable action on a bill providing for the restoration of the party convention for nominating state and certain judicial candidates as "politically unwise at this time."

WEAKNESSES DEVELOPING

From California (direct primary adopted 1909) comes news of a proposal to combine the principle of the direct primary with that of a party convention.[1] "Now the progressive west is virtually ready to discard the primary or, at least, to amend it so that the party convention shall in effect be restored. Nebraska has just returned to the party convention; Minnesota is wrestling with the question."[2] Idaho (direct primary adopted 1909) has at the recent session of the legislature restored the convention for state offices and United States senators and representatives.

From Wisconsin, the first state to use the mandatory state-wide direct primary (1903), comes the message of Governor Phillip: "For my own part I regard the party convention the proper agency to fix its party principles and nominate its candidates, and the only valid objection that was urged against that system was the political caucus which nominated the delegates. In order to obviate that feature of the convention system which brought it into disrepute, I suggest that you so frame your statute that the delegates will be elected by the people at the regular spring election in the same manner as they cast their ballot for their township and municipal officers. The jurisdiction of the convention should, however, be limited to state officers, United States senators and members of Congress." One is almost inclined to inquire how, especially in the progressive state of Wisconsin, the direct primary could

[1] *Equity*, January, 1919.

[2] David Lawrence in *New York Evening Post*, April 24, 1919.

bring about the nomination of this advocate of reaction unless during his campaign he concealed his designs to spurn the ladder by which he rose.

Many voters seem dissatisfied with the workings of the direct primary, yet few would go back to the original convention system. Perhaps, when the short ballot and the merit system will have had their fullest application, the direct primary will give place to preferential voting, proportional representation and nomination by petition only. In the meantime there will probably occur many modifications of the present system in the search for improvement.

No one will deny that the direct primary at the present time has its imperfections. One of these defects has been suggested by three well-known writers on government. Professor Merriam[1] admits that it is a question of importance whether lists of candidates may be made by party leaders before the primaries, but thinks the party leaders would be made responsible for the qualities of the candidates presented. Professor Munro[2] takes a different view of the accountability of the leaders and holds that the direct primary, the result of which is too often just what it would be under any other system of nomination, permits the leaders, who have really determined the outcome, to avoid all responsibility for it. Professor Ford[3] asserts that the direct primary makes politics "still more confused, irresponsible, and costly."

ADMITTED DEFECTS

The following defects, then, seem to exist in the direct primary as it is employed to-day. There is, first, a failure to recognize the certainty of political leadership under any system. It is assumed that all the voters will be interested in looking about over the field to discover the persons most fitted to represent the party as candidates for the various offices. If this were true there would be little need of printing names on the primary ballot, of "designating" candidates for nomination, as it is called in New York. Each voter would have a chosen candidate in mind and would be quite willing to write his name on the ballot. But the great majority of the voters concern themselves not at all with the matter until some one offers for their consideration a candidate, circulates a petition for him, "designates" him. This fact will be well recognized by any one who has noted the extremely small number of voters who take the trouble, when no candidate's name is printed on the ballot, to write in the name of some person preferred by them for the nomination. The voters in such a case seem to have no preference.

But if the office is of any importance and the chance of election is fair, some one will have an interest and a preference. Some individual or, more probably, some group will present his or their preference by petition. Presumably the necessity of obtaining a certain number of signatures makes the signers responsible for the candidate. They recommend him. But, without argument, every one knows that the petition requirement amounts to nothing. Even if petitions were signed only deliberately and conscientiously, the names of the signers are not published and the voters do not know them.

That fact, then, constitutes the second defect of the primary—no responsibility anywhere for the designation of primary candidates by peti-

[1] "Primary Elections," 1908.

[2] "The Government of American Cities," 1916 (revised edition).

[3] *North American Review*, cxc, pp. 2, 4; 1909.

tion. Every Tom, Dick or Harry comes before the party voters on an equal footing as far as the primary law is concerned. In fact this condition is pointed out as one of the merits of the system—it is a "free for all." If this were indeed true there might be less objection than there now is. The following quotations present actual conditions in the state of New York: "'Conferences,' constituted in the same manner as the former conventions, have been held by the various parties every year since the direct primary act was passed, and in one instance a Progressive party conference practically decided on a ticket." "In local contests the nominees decided on by county and other local committees have had behind them all the organized political strength that the leaders could muster." "Instance after instance could be cited showing that the political machines are again running smoothly and that the plagues visited on the 'independent' candidate are many."[1]

SLATES STILL GO THROUGH

In Essex county, New Jersey, the county organization of each major party puts up each year or, at any rate, recognizes a practically complete slate of candidates for nomination, not only for all the county offices but also for United States representatives and, in Newark (before commission government was adopted), for the chief city offices and for county committeemen. In complying with the corrupt practices act one blanket statement of campaign receipts and expenditures is filed for all the organization candidates in each party by one man whom they have agreed to appoint as their treasurer according to the law. For several years the treasurer of each party has been unchanged. Naturally every man who is a candidate for nomination on one of these slates is a worker for every other candidate on the list. When this fact is considered in connection with the number of candidates who make up each group —often well over 200—and the amount of money they contribute, it is not at all a matter of surprise that the slate goes through as a rule almost without a scratch. In the years 1912 to 1916, inclusive, only three cases of failure to carry through the entire slate for county officers and United States representatives occurred in both parties. The two parties nominated together during this period 196 candidates for these positions. The independent success seems small indeed. The Democratic organization admits only three defeats since 1908 when the direct primary first applied to the county area. Since the candidates picked for nomination by the party organizations are so uniformly successful, how and by whom these candidates are chosen becomes a question of primary inportance.

It seems that for several years each party organization has pursued a defined course in determining what men to propose to the voters of the party for nomination. The executive committee of the county committee first agrees upon a slate which is then recommended to the county committee where a motion is regularly made to accept it. This ratification is little else than a formality, although theoretically the larger body possesses the power to reject undesirables and demand substitutions. One may imagine the influence which the more than 300 members in each of the county committees exert in backing, and creating sentiment for, the candi-

[1] The Direct Primary in New York, H. Feldman in *American Political Science Review*, xi, no. 3 (July, 1917).

dates for nomination proposed through them. Many voters accept entirely their recommendations in lieu of personal knowledge. Thus it is obvious that the organization candidates are almost always successful at the primaries and equally obvious that the average party voter has little or no direct influence in determining who the organization candidates shall be. It is not intended to assert here that the party voters are always or even generally opposed to the proposals of the organizations. When party organizations can satisfy the desires of party members 193 times out of 196 chances they are to be commended. (To deny that the organization candidates were satisfactory to the party voters is to deny all the efficacy of the direct primary.) Nevertheless, it is submitted that the selective agency is by no means properly representative of the party voters nor even of that portion of them, around 50 per cent, who attend the primary. True, the party committeemen are elected at the primary every year. But in 1916, in Essex county, for the 594 places on the county committee in both parties there were only 115 cases of contest, and approximately 80 per cent of the primary voters expressed a choice for committeeman. In Middlesex county there were 21 contests in 152 places, and in Salem county there was no contest in 44 places. These facts indicate that the committeemen are regularly organization men. It is not very strange that the party voters pay so slight attention to the election of these party officials for nominally they have little authority in the exercise of which the voters are interested.[1]

[1] The facts for New Jersey are taken from the writer's dissertation, "The Direct Primary in New Jersey," 1917. In the Republican primary of 1917 eleven anti-organization men were successful in securing nominations for assembly in Essex county (twelve assemblymen to elect).

THE HUGHES AND SAXE IDEAS

The two defects of the direct primary just considered would be largely remedied by the Hughes plan of legal, responsible designation of candidates by the party committees, with opportunity for rival designations by petition. It seems that Governor Hughes intended a primary to be held even though no designations in opposition to those of the party committees should be made. As an amendment of this plan, former state Senator Saxe (New York) proposed that whenever no contesting designation was filed the committee's designation should become the party nominee without a primary election. That the necessity for a primary to decide contests for nomination would be obviated in this manner in a great many instances is shown by the following facts. In nominating 138 candidates for local municipal offices in both parties in Salem county, New Jersey, in 1916, there were four cases of contest. In the years 1912 and 1915 neither party had a county-wide contest in this county, while in the latter year there were only nine contests in nominating 153 candidates for local municipal offices. (The decision of these nine contests at the primary polls cost the county approximately $2,500.) In Middlesex county in 1916 there were eight contests in both parties in nominating 320 local municipal candidates; in Essex county, 33 contests in 408 candidatures. In six counties of New Jersey investigated the number of contests constituted 15½ per cent of the number of local municipal officers actually nominated, that is, officers for less than the county area. The per cent of contests among candidates for the county area was much larger in New Jersey. In the 60

assembly districts in New York City, 12 of the 120 nominations in 1916 were uncontested; only two candidates, in 46 state senate nominations examined, were opposed; in 16 counties outside New York City, comprising 25 assembly districts and 11 state senate districts, not a single candidate had opposition in the primaries for these offices. In the 20 nominations of candidates for state offices there were four contests. "As machines and political organizations invariably have candidates, we may take it as a correct deduction that all uncontested candidates in these counties were either chosen by or were pleasing to the organization."[1]

(The matter of cost may be mentioned here. The fall primary in 1916 cost the state of New York probably $645,000; the same year New Jersey's primary cost was slightly over $300,000.)

If, however, Mr. Saxe's amendment of the Hughes plan, as suggested above, were accepted, an election of some kind would still have to be held in every precinct each year for the purpose of renewing the members of the party committees that would be employed to designate candidates for nomination. There would remain two objectionable features of the direct primary: the necessity of a second election and the requirement of party enrollment with the accompanying publicity of the voter's party affiliation. The latter difficulty, it is true, may be obviated by the use of the "open" form of primary in which each voter is permitted to vote the primary ticket of any party without divulging his choice. This plan, of course, is open to the objection that members of one party may, and, especially if contests in their own party are few, will, participate in the nomination of the candidates of a rival party, and are likely to use this opportunity to partisan advantage. Governor Phillip's condemnation of the Wisconsin primary, noted above, was due partly to this condition. The plan has been abandoned recently by some states which had employed it.

The separate primary election results in the choice of party candidates by a fraction, large or small, of the voters adhering to the party and, as a rule, by the less independent voters, that is, the "regulars," workers and office-holders or seekers. This is generally conceded. "Unless there be important local issues represented by rival candidates, the primary is not likely to draw out votes in great numbers and when a large part of the available vote is not forthcoming, it is usually found that the stay-at-homes include most of those whose participation in the nomination of candidates is much needed in the interest of good city government."[2]

SETTING UP LEADERSHIP

But if ex-Governor Hughes' and ex-Senator Saxe's proposals be accepted as a starting point, there seems to be at hand a way of escape from this undesirable situation. Would it not be possible at the general election each year to choose the party committeemen who are to designate the party candidates in the first instance for the approval of the party voters? The selection, at the regular spring election, of the delegates to a nominating convention is proposed above by Governor Phillip. If considered preferable to have a party body, separate from committees, selected for the specific purpose of proposing party candidates, could not such a body, known perhaps as party representatives, be thus chosen?

[1] Feldman, op. cit.

[2] Munro, op. cit.

The names of candidates for this position of party representative could be printed on the regular ballot or on special ballots at the request of petitioners or on payment of a fee. The party membership of the voter, for the purpose of determining whether he is entitled to participate in the choice of a certain party's representative, could be based on any desired degree of regularity in the support of that party's candidates whose names appeared on the general election ballot. That is to say, a voter might be permitted to participate in the selection of the Republican party's representative only if he votes for every one of its candidates or for a majority of them. Another test could be applied: candidates for certain offices could be specified by law as partisan, and a voter, to claim membership in a party, could be required to vote for all candidates thus specified or for any given fraction of them. In any case, the board of election officers could determine by a glance at the ballot, whether, according to the law, the voter who cast it was a Republican or a Democrat and thus entitled to exercise a choice for one or the other party's representative. Of course, if a voter should indicate a preference for the party representative of a party for the candidates of which he had not voted, his vote for representative would be considered void. Thus far there is absolute secrecy as to the party membership of the voter and yet for the purpose of restricting the control of party nominations to the adherents of the respective parties the method is more accurate and efficient than those commonly used, by which the voter who wishes to participate in a party primary takes oath or affirms that he voted for a majority of, or supported generally, that party's candidates at the last election. Certainly he may rightly be considered to belong for the time being to the party the ticket of which he votes.

The party representatives selected in the manner just outlined, one for each election district or larger area, may be given one vote each in choosing the party's nominees, or a weight corresponding to the party vote in their respective districts. Conceivably, too, all the representatives that receive over a certain minimum number of votes might be permitted to cast this number in the choosing of party nominees. Such a plan would reflect most accurately the voters' wishes and afford recognition to all party factions of respectable size. The first plan, however, is perhaps most intelligible and simple.

"DESIGNATIONS"

How shall these party representatives designate the party nominees? At a fixed time preceding the general election they may be assembled in convention under the presidency of a responsible public official and allowed to make nominations after deliberation and discussion, the vote of each being recorded and published; or, if the danger of intrigue and undue influence at an assembly is feared, they may, each in his own precinct, be required to certify their choices before a notary public who will mail them to the proper public officer. The latter method would enable busy men of affairs to accept the position of party representative. One of the drawbacks of the convention system was the frequency with which only mediocre men or men of still smaller caliber could be used for delegates to conventions, especially conventions for small areas and for the nomination of comparatively unimportant candidates.

In either case the choice of candi-

dates should be limited to those persons whose names are proposed for the consideration of the party representatives. These proposals could be made by petition. Few signers should be required so that the petition may be a real, deliberate and responsible recommendation of candidacy. Any voter of the state should be permitted to sign any petition; that is, residence in the electoral area by which the nomination is made should not be necessary. Ten or twenty names might suffice ordinarily. The fewer the names the more care the prospective candidate would exercise in securing popular backing in this form. Before the action of the party representatives the names of the petition signers should be given wide publicity through the press at public expense. Each candidate would then be known as the candidate of this man or that, this group or that, and could not well come forward by personal advertisement alone. Probably one party representative, or group of representatives, from each district should be used to suggest party candidates for all offices to be filled during the year following the selection of those representatives. This rule is desirable in order to make the position of party representative sufficiently prominent to induce intelligent men to seek or accept it and also to render the selection of party representative a proceeding of enough importance and interest to attract the attention of the voters. In addition, this rule is required in order to avoid adding unduly to the length of the already much too long general election ballot. The representatives, then, of all the districts in the state would have a voice in the designation of a party candidate for governor or for any other state office. The representatives of the party for all the election districts in an assembly district would designate the party's candidate for assemblyman, and so on for any other electoral area. Majority preferential voting could be used in the selection of the party's candidates to afford means of concentrating the preferences of independents in opposition to those of organization men.

PRIMARY ELECTIONS ONLY WHEN NEEDED

If the candidates proposed by the party representatives prove satisfactory to the rank and file of the party and consequently no rival designations are offered, there is an elimination of the primary election. Surely the indirect choice of party candidates by a group of party men in whose selection all, or practically all, the party adherents participated would more fairly represent the desires of the party members than the direct choice of candidates sponsored by nobody, running at their own sweet will (when not backed by the organization), and voted for by a fraction of the party membership in the present direct primary.

But suppose the candidates designated by these party representatives are unsatisfactory to the party members? A certain number of the latter may then designate other candidates for nomination and a primary election will be held to decide the contests. The men with no sizable following will probably see the hopelessness of running and remain off the ticket. It will take unity to defeat the candidates proposed by the party representatives and it may turn out that independents, opponents of the organization, realizing this, will center their fight on a single candidate or series of candidates. It must be remembered that all factions will have had a voice in the selection of party representatives and that

consequently there is a strong presumption that the candidates designated by these representatives are really approved by the rank and file. This probability would seem to be much greater than when, as now, the party candidates are very frequently the choice of a few leaders, after the customary dickering for the positions on the slate, ratified by a fraction of the party voters.

A DETACHABLE COUPON SCHEME

However, granted that a deciding primary must be held, as will doubtless be the case in many elections for various areas, the second great problem of the direct primary arises: how now will party membership be determined; who may vote at the party primary? The answer is, the same voters who supported the party ticket at the last general election to a degree sufficient to entitle them, under the law, to vote for the party representative. But how will these voters be confined to their respective primaries without discovering their party affiliation to others, to a public official at any rate? At the bottom of the general election ballot, on detachable coupons, print the names of all parties entitled to make nominations by means of the direct primary. On the reverse of each coupon print the customary facsimile of the proper official's signature. Let the voter tear off the coupon of his party, seal it in an envelope, attach his signature, and deposit the envelope in a box. These envelopes will not be opened by any official; they will be preserved until the primary is held, if one becomes necessary, and at the primary will be presented to the voter, on application, along with the primary ballots of all parties. To make participation in the primary of any party valid, the voter must attach the coupon bearing the name of that party to the primary ballot of that party before he deposits it in the ballot box. His party affiliation is thus preserved absolutely secret and yet he is restricted to the party to which he belongs and which he supported at the last preceding election. Of course, details of a law covering these points could be drawn up to provide for voters removing from one precinct to another, for voters unable to read and write, and so on. If it is feared that the voter might use the coupon of a party which he did not support, the law could provide a penalty by authorizing the rejection of any ballot from which an improper coupon had been detached, or the invalidation on such ballot of the vote for party representative. The ballot itself will contain the evidence necessary to a decision on this point. The requirement that a voter should support a majority of all his party's candidates, or any specific candidates, in order to qualify as a party member for voting in the primary might produce a rigidity which probably does not now exist with reference to party membership even in states such as New York, which have strict enrollment laws, because many independently inclined voters, who are regularly known and enrolled as Democrats or Republicans for the primary, probably exercise little care to support any particular number or fraction of Democratic or Republican candidates at a general election. If it should be deemed advisable to preserve such a somewhat loose separation of parties for primary elections the voter might be permitted to enclose in the envelope the coupon of any party he wishes regardless of the ticket he has just voted.

OBJECTIONS ANSWERED

If it be objected to the first part of this proposed plan, that to party representatives, chosen nearly a year in advance, should not be delegated so much influence in determining the party's candidates, it may be answered that such power is frequently, if not usually, exercised now by party organizations, members of which are chosen at a primary still longer in advance of the primary at which they exercise their control, and chosen very often by a mere fraction of the party voters, not to say practically appointed by a few leaders, since, performing no visible and important functions under the law, these members of the organization elicit no interest in their election at the primary and contests are rare indeed. But these committeemen are by no means without influence in the primary campaign. It is submitted that the voter would be much more concerned in the choice of party representatives, possessed of definite legal power to designate party candidates, than he now is in the choice of party committeemen whose nominal function is merely to conduct the campaign. The campaign committee could better be chosen by the party representatives or by the candidates for the various areas.

If it be objected to the second part of the proposal that it is too complicated, the question may be raised in reply whether it is more complicated than the methods of enrollment ordinarily employed now, for example that of New York.

These suggestions are not advanced as a panacea for all the direct primary's defects but only as possible improvements adapted, perhaps, to increase the facility of its operation and the quality of its product. If they would in operation detract at all from the effectiveness of real popular control of parties and government, they are to be rejected.

THE FATE OF THE FIVE-CENT FARE

IV. OLD ERRORS BEAR THEIR LOGICAL FRUIT IN CHICAGO

BY CHARLES K. MOHLER

The famous 1907 traction settlement has permitted the steady inflation of capitalization to a point so far above true value that a five-cent fare with current costs can no longer carry the burden and any solution that is fair to the city must mean great losses to the investors. :: ::

THE cities of this country most characteristically prominent in the attempts they have made to secure satisfactory solutions of their local transportation problems, are Chicago, Cleveland and San Francisco. Chicago has been engaged in "traction" fights for nearly sixty years, and has not yet reached a sane, honest or satisfactory solution. Cleveland's experiment was apparently satisfactory for a time, but appears again to be unsettled. San Francisco is gradually working out its problem by taking over the transportation service under municipal ownership as fast as the franchises of the private companies expire.

The exploitation of Chicago's transportation began very shortly after the grant of the first effective franchise in 1859. The latest attempt, happily unsuccessful, was during 1918. Much has been written of Chicago's transportation history up to the adoption of the so-called settlement ordinance in 1907, and but little of the developments during the period since that date. This article will be concerned mainly with a brief historical outline; the terms of the 1907 ordinance; the conditions which have since been brought about under it; the ordinance which was brought forward in 1918; and some discussion of the future.

THE EARLY YEARS

The franchise holders divided Chicago into three divisions at the beginning, so that at least two fares were collected from every passenger passing from one division to another. The focus of each division, of course, was the business district.

The first grants given by the city council, and most of those succeeding, up to 1875, were for twenty-five years. In 1865, six years after the first grant, the traction interests went to the state legislature; and, regardless of the violent opposition of the Chicago people and the governor's veto, secured an act to give the companies rights in the Chicago streets for ninety-nine years. Chicago always refused to recognize this "ninety-nine year act "and thereafter almost always endeavored to limit grants to not over twenty-five years. After the city was incorporated under the city and village act in 1875, grants were limited to twenty years.

Many of these original twenty-five year grants contained the provision that the city could purchase the property of the companies at the appraised value at the expiration of the franchise. Municipal ownership was not a developed policy at the time the first grants expired about 1883. While the city always combated the claims made

under the ninety-nine year act, and held that it was not valid, the city authorities felt that the temper of the courts was such, that a fair test in the city's interest could not be secured at that time. They, accordingly, extended the franchises to the companies for twenty years to 1903.

Early in 1882 some of the horse car lines were transformed to cable traction. In the early nineties, electric traction was introduced on some of the remaining horse car lines.

Mr. Charles T. Yerkes came to town in 1885. His career in traction high finance, as well as the attendant political corruption, are notorious in traction history.

In the interval between 1883 and 1903, the duration of the extension grant, the service had become so bad, the financial exploitation so extensive, and the political corruption so flagrant, that the citizens were finally forced to undertake corrective measures.

Bills ("the Humphrey Bills"), laws ("The Allen Law"), and ordinances, intended to greatly enlarge the rights and privileges of the traction companies, were brought forward at different times. These were all bitterly contested by the citizens and finally defeated and repealed.

A number of reports were prepared and published, such as the report of special committee of the city council —on the street railway franchises and operations, 1898; the street railway commission report in 1900; the report of the civic federation, 1901; the Arnold report, 1902, etc. During this time a large degree of public sentiment developed in favor of municipal ownership as the proper solution of the transportation problem.

The mayoralty election in 1905 hinged on the issue of "immediate municipal ownership." The Democratic candidate was elected on that platform. On March 12, 1906, the United States supreme court decided the ninety-nine year act controversy litigation in the city's favor. During the 1905–07 period, many propositions were proposed and considered.

At a number of elections during and preceding this period, municipal ownership had been tested as an issue and always carried by good majorities. In spite of the expressed public sentiment and intent in favor of municipal ownership, and the favorable decision of the supreme court on the ninety-nine year act in favor of the city, there was finally brought forward an ordinance that has come to be known as the "1907 settlement ordinance." While the controversies were going on, the companies allowed their properties to run down and the service to become intolerable. With the compan[illegible]es virtually defeated at every [illegible]n, and municipal ownership within reach of a firm grasp, the people were induced to throw it away for specious promises that: immediate service betterment would be secured; the city would receive 55 per cent of the net profits; the city would have the right to purchase the property and equipment of the companies at a fixed price at any time upon six months' notice, for municipal ownership; etc.

THE 1907 ORDINANCE

The city council adopted the settlement ordinance in February, 1907, and it was approved by referendum vote early in the following April. As was to have been expected, the results of the "settlement" are disappointing in almost every particular.

The outstanding features of the ordinance may be listed under:

A. Real and supposed advantages to the city.

B. Advantages to the companies.

C. Provisions not to the advantage of either the city or the companies.

D. Advantages lost to the patrons (inside and outside the city limits).

The details of these features are substantially as follows:

A. Real and Supposed Advantages to the City

(1) Reconstruction and re-equipment of the lines. Heavy grooved rail and modern track equipment substituted for old light rail and equipment. (This has been realized but at an unjustified addition to capital account.)

(2) Replacement of old cable and horse cars by electric equipment (giving larger and more comfortable cars, higher speed, etc.) (This has been realized likewise with unwarranted capital account increases.)

(3) Definite provision for twenty-one through routes, and as many more as necessary. (This provision has never been satisfactorily realized.)

(4) Universal transfers except in a definite down town district. (Realized.)

(5) The city to receive 55 per cent of the net profits. (Realized.)

(6) The city acquired the right to purchase the properties at any time on six months' notice upon paying a predetermined price; also the right to delegate the privileges to purchase to another company: (a) at the same price that the city would have to pay if the profits were limited to 5 per cent; (b) under terms 20 per cent higher than the city would have to pay if profits were not limited. (Now almost impossible of realization owing to the excessive inflation of the capital account.)

(7) The city to have the right to require: (a) extensions of a certain amount each year; (b) the companies required to furnish $5,000,000 to apply on the construction of subways when the city so demanded. (Necessary extensions made but always with 10 per cent contractors' profits and 5 per cent brokerage.)

(8) A board of supervising engineers (city to appoint one member, companies one member, and one member named in the ordinance) was created to supervise specifications, letting of contracts, construction, accounting, to furnish certificates for additions to capital account, and with certain limited authority relating to the supervision of service. (Not sufficiently satisfactory in the city's interest.)

(9) The city comptroller authorized to prescribe methods of book keeping. Requirement that the books of the company shall be open to the inspection of the city comptroller at all times, and the companies required to furnish sworn annual reports. (The provisions are complied with.)

(10) The city given the right through the board of supervising engineers to limit the salaries paid company officials. (This function has never been exercised as there are unquestionably some excessive salaries paid.)

(11) The ordinance stipulates the city shall have the right to define and regulate service by ordinance. (This provision is practically a dead letter.)

(12) The companies required to clean and sprinkle streets. (This work is now done by the city but paid for by the companies.)

(13) The ordinance contains forfeiture provisions for non-compliance with regulating ordinances, etc. (It has not proven an effective club to get adequate service.)

B. Advantages to the Companies

(1) The companies were given definite franchise grants for twenty years. At the time of the settlement many important franchises had expired, oth-

ers were about to expire, and the whole situation was confused and uncertain. (The longest term but an unimportant franchise would have expired in 1921.)

(2) The companies were given the right to substitute electric for cable traction in the principal streets and in the down town business district.

(3) They were allowed what would appear to be a very liberal new value appraisal figure of $56,221,603 for about 421.8 miles of single track, or about $133,350 per mile on their old property.

(4) While the ordinance provided for a large amount of "*immediate rehabilitation*," of track and equipment within three years, the amount written off from the appraised new value, of old, almost worn out and obsolete track and equipment, was only 25½ per cent. The figure of value then left and put into the capital account was $56,221,603 reduced by 25½ per cent or about $41,977,450. (After three years little of the property represented by $41,977,450 was left except the small per cent covered by real estate. It is all in the capital account today however.)

(5) They were allowed about $9,000,000 for franchise value which was also authorized and put in as part of their capital account. (This is some times termed nuisance value, or the price paid to clear up, and get rid of an intolerable situation. To say the least that is a charitable view to take.)

(6) They were allowed to charge up to capital account practically all of the money that was spent for reconstruction and re-equipment during the three years of immediate rehabilitation dating from the passage of the ordinance. (The companies apparently made full use of this opportunity.)

(7) During the life of the franchise, the companies are allowed *10 per cent contractors' profits*, on all purchases of material and equipment, costs for labor, superintendence, engineering, legal expenses, etc., connected with the three year rehabilitation period, and also on all new construction, and additions to plant, and this is added to capital account. (Apparently none of these opportunities have been lost by the companies.)

(8) For all funds required, as per item (7) above, the companies are allowed 5 per cent brokerage for procuring funds, and this is also added to the capital account. (This privilege was also fully utilized. It does not appear that the capital account was left without the addition accorded by this privilege at any time.)

(9) There is apparently no adequate requirement that obliges the companies to write off obsolete and discarded material, equipment and property.

(10) The requirements for depreciation reserves are too loose, and the amounts actually required to be set aside or set up in the accounts are inadequate. (The properties are wearing out without adequate funds for replacements.)

(11) It is questionable if the requirements for maintenance funds are at all adequate.

(12) Bonds may be issued to the full amount of the "capital accounts," and they are to run to the end of the franchise period in 1927. Sinking funds are not required or provided for retiring bonds, either before, or at maturity when the franchise expires. (This leaves the honest bond investor in a precarious predicament.)

(13) The companies have the right to appoint one of the three members of the board of supervising engineers. (This can not be expected to and has not worked out to the public interest.)

(14) While the state law provides for condemnation of traction properties for municipal ownership, the ordinance contains no provision, or reference, to this means of acquiring the properties.

C. Provisions not to the Advantage of Either the City or the Companies

(1) The ordinance specifically prohibits the use of trailers. (The door should not be deliberately closed to any reasonable means of rendering adequate service. Trailers are used and are successful in other cities.)

D. Advantages Lost to the Patrons (Inside and Outside City Limits)

(1) All street car lines are stopped at the city limits, thus requiring change of cars and the payment of an extra fare. (Some of the service that formerly cost five cents, now costs twelve cents. If the companies had been granted their petition to charge seven cents, by the state commission, it would have been fourteen cents.)

WHERE THE 1907 ORDINANCE FAILED

From the preceding outline and limited comments, the really vicious features of this settlement ordinance do not fully appear. As stated in the language and terms of the ordinance, they are even less apparent. Where the terms of the ordinance are to the advantage of the companies, they have been complied with to the letter. Where they are not to the companies' advantage, they are evaded in almost every possible way.

The different features of the settlement and ordinance which have operated distinctly to the city's disadvantage will be discussed somewhat in detail.

The net results of the "promises" of the 1907 "settlement ordinance" are:

I. EXCESS CAPITAL ACCOUNT

A capital account of about $157,000,000 has been created, while the honest new cost value of the property which it covers is little, if any, over $100,000,000. This "capital account" is really a work of art in high finance. Any attempt to criticize or condemn this sacred white elephant of "capital account" bequeathed by the "settlement ordinance," was, and is still, met with the declaration that the "settlement" was a compromise; that embodied absolutely the best that could be secured from the companies at the time; that it was approved by popular referendum vote, etc.

The values allowed, in the original and several less important subsequent ordinances, on all old properties and claims amounted to $55,775,000. This was made up of some actual usable property, property about to be discarded, claims for franchise values, etc.

It will be of interest to note the disposition that the Illinois public utilities commission makes of some of the items in the "capital account" of $156,481,859 which the companies claimed and presented in their recent petition as the basis for the right to charge seven-cent fares. In the decision of April 25, 1919, denying the petition, is found in substance the following:

"The companies will not be permitted to repudiate the condition as to fares and, at the same time, to insist on this valuation."

Concerning the item of *franchise values,* in the "capital account," the commission says: "We find . . . that the aggregate . . . amounting to $9,016,971 must be deducted. . . ." There is then made another deduction on the same basis

of $1,128,892, taking a total of $10,145,852.

"In the item covering paving. . . . These items aggregated at least $8,000,000, and under the evidence, we can not include this amount . . . ."

Property replaced, but still in the "capital account." "This item of $14,794,566, therefore, appears from evidence, to represent property which is no longer in existence, . . . there is no basis for including this item. . . ."

This pruning process was continued until about $45,000,000 was lopped off from this wonderful but sacred "capital account."

Again we have the testimony of the companies' own attorneys on the "capital account." In September of 1917, the companies' representatives were called before the Cook county board of review to answer certain inquiries about the value of their properties, and the amounts for which they were assessed. In the course of the proceedings, one of the attorneys stated: "So that there is . . . at least $85,000,000, or $90,000,000 that is not represented by any property at all, and it is in this capital account. . . . It can never be contended for a moment that the capital account represents the value of anything."

Having reached this state of affairs, we may inquire to what extent the provisions of the 1907 settlement ordinance are responsible for:

1st. *High Property Values.* Excessively high values allowed for old worn out property to be discarded. As before stated this old junk was put in the capital account at about 75 per cent of its new value and has never been written off although most of it was displaced and discarded during the three years of rehabilitation.

2nd. *Allowance for Franchise Values.* This is the most inexcusable bit of high finance allowed in the whole proceeding. At the time of the "settlement," many of the franchises on streets over which the companies were operating, had expired, and others were about to expire; while the longest to run (an unimportant franchise), expired in 1921. As the companies were never stopped from operating, and, as they were given a new franchise for twenty years (six years longer than any of their unimportant remaining rights), it is hardly understandable what could justify allowing the companies large values for something they really never *owned* and never relinquished. The excuse has been offered that under the new ordinance, they were to share with the city 55 per cent of the net profits, while under the condition they were then operating, they were entitled to, and would retain, all of the profits. This is little other than pure fiction.

It should be remembered in this connection, that if the companies had maintained a proper depreciation reserve account, they probably would have had *less net profit* than they have actually received under the settlement ordinance.

3rd. *Cost of Rehabilitation.* The additions to capital account from this source is altogether without justification. In the report of the civic federation, published in 1901, it is shown that the Chicago City Railway Company from 1882–98 (16 years), paid average annual dividends of 44.63 per cent. From 1898–1901 inclusive, the average was nearly 31 per cent. Under honest financing and management, the north and west side lines would have shown a result only a little less favorable than that of the Chicago City Railway Company.

Under such conditions, what excuse is there for a company that is operating a going concern to demand that it

be allowed to charge up to capital account, the money that is required to *reconstruct* the property that it has purposely let run down and wear out without maintaining adequate depreciation reserves and at the same time not write off the value of the discarded and replaced property? In the face of these facts, the ordinance nevertheless provided that the companies could charge to capital account all money spent on rehabilitation during the three year period following the passage of the ordinance, except the amount left by deducting the operating expense from 70 per cent of the gross earnings, which difference was to go into reconstruction without charge to capital account. This provision of the ordinance has injected about $42,000,000 of "dead horse" into the capital account which should never have been allowed at all.

Rehabilitation funds should have been supplied by the companies themselves, out of depreciation reserves. In the matter of claims for their rights and privileges they were very inclusive. In fulfilling their obligations for service and conservative financing, they have not met the honest and reasonable demands.

4th. *Ten per cent Contractors' Profits.* This is still another piece of high finance allowed by the settlement ordinance so inexcusable that even its former advocates and apologists are now forced to admit that it has no justification. Of course, the ordinary conception of allowance for contractors' profits would be those to cover a special piece of construction, such as building a new piece of track, or the erection of a building where the work was undertaken by the company with its own labor and equipment. While this might be reasonable enough under those assumptions, it is hard to understand why a going concern should be allowed to charge contractors' profits and then credit them to its capital account, for rebuilding or renewing its track and equipment that should have been taken care of out of depreciation reserves.

That, however, is not the full extent or worst of this arrangement. They are to-day adding 10 per cent on all new purchases for additions, and including it in capital account. To illustrate: a new typewriter, costing normally $100, is to be purchased, and the cost added to capital account. They are allowed 10 per cent contractors' profits, or $10 to have an agent sell them the typewriter. If they buy a standard car costing $5,000, it is a little hard to understand why they should be allowed 10 per cent contractors' profits, or $500 for buying it. In other words, the $100 typewriter goes in to the "capital account" at $110, and the $5,000 car at $5,500. The purchase of all new equipment for additions as well as betterments to the property of what ever nature, contributes to this item of high finance in the same way. "Contractors' profits" have now contributed something over $8,000,000 to make up the $156,481,859 "capital account." The state utilities commission was not convinced that the item was entitled to returns, and dropped it from consideration.

5th. *Brokerage Allowance.* Brokerage allowance of 5 per cent has added over $4,000,000 to "capital account." It is equally hard to understand why a reputable, solvent concern should have to be allowed 5 per cent, or $5 to find the money to buy a $100 typewriter. Contractors' profits and brokerage together put the $100 typewriter into capital account at $115. The state utilities commission also eliminated this item.

II. INADEQUATE DEPRECIATION RESERVES

(*a*) *The City's Bad Bargain to Purchase*

(*b*) *The Honest Investors Predicament*

(a) The depreciation account, or reserve, has been carried on the basis of 8 per cent of gross earnings. This gives an annual amount of about $2,800,000. As to why this reserve should be placed at 8 per cent is not clear. The average life of the property is little, if any, over twenty years. That would give an annual depreciation of about 5 per cent on the cost value of the property. That amount applied to the "capital account" of $156,481,859, would call for an annual reserve of about $7,824,093, leaving a difference of about $5,000,000 between the actual reserve based on gross earnings and the amount necessary to maintain the "integrity" of the "capital account." To illustrate further: The accumulated depreciation reserve now amounts to a little over $9,000,000: the actual depreciated *property-value* back of the $156,481,859; capital account is probably little, if any, above $65,000,000. Under those conditions we should expect a depreciation reserve of about $91,000,000; we find, however, only about $9,000,000. Adding the $9,000,000 to the $65,000,000 gives a present property value to back the capital account of about $74,000,000. It is a poor rule that does not work both ways; a high capital account should call for a high depreciation reserve. The proper or adequate reserve should be about $91,000,000, the actual reserve on hand is about $9,000,000, or about one-tenth of what it should be to maintain the integrity of the "capital account."

It is thus seen how the city has been jobbed on "the right to purchase at any time on six months' notice" for municipal ownership. If the attempt were made to purchase to-day, the city would have to pay over *$156,000,000* for second hand property physically worth about $65,000,000 or less, to which add the depreciation reserve of about $9,000,000 making a total of about $74,000,000. To this, in case of purchase by the city, may be added the city's share of the net profits amounting to something over $22,000,000. (That is a charitable view to take, of course, as these net profits are supposed to be the city's own. However, adding these all together gives only $96,000,000 or about $60,000,000 short of reaching the high water mark in the capital account.

(b) *The Honest Investor's Predicament.* The investing public has been jobbed to an equal, if not a greater, degree. The total outstanding lien bonds against the property amount to over $135,000,000, of which about $95,000,000 are first mortgage bonds. These all run to the end of the franchise period in 1927 without any sinking fund reserve. One is led to wonder what is to happen to these securities at the termination of the franchise with nothing but second hand physical property back of them, worth probably less than $50,000,000. As an index to the investors' state of mind, the 5 per cent first mortgage bonds have declined from above par to a market value of about 72 and 75, or lower.

The companies or the security holders have no further hold or claim on the $22,000,000 now in the city's possession unless some scheme is hatched up and put over for the companies' benefit.

It may not be amiss to give a little more financial detail at this point. The Chicago Railways Company (the old Yerkes lines) comprising a little over one half of the street railway mileage of the city, has outstanding lien

bonds against the property amounting to somewhere between ninety-one and ninety-five million dollars. The depreciated value of the property today is probably somewhere between thirty-two and thirty-five million dollars. The title to the property is actually controlled by $100,000 of outstanding stock. It will thus be seen that bondholders have been induced to invest in securities amounting to about $91,000,000 to $95,000,000, or nearly three times what the property is physically worth to-day that is back of them. As before stated, no sinking funds are provided, and the bonds do not become due until the end of the franchise. The property will have still further depreciated by that time. Still the bondholders are helpless as long as the interest is paid, and the property is not thrown into the hands of a receiver. The $100,000 stock, or title control of this property has taken out of the net profits for its own, probably about $9,000,000. The $9,000,000 net profit may have been reduced by several million dollars for the payment of interest on outstanding bonds in excess of the "capital account." This has been distributed among a large number of participating certificates issued and sold to the public. It seems about their only function is to give to the purchaser a gamble, or chance at the divisable net receipts when there are any.

III. UNSATISFACTORY SERVICE

For a time after the passage of the settlement ordinance and the rehabilitation was completed, the service was reasonably satisfactory. Through routing through the business district has never been established to the extent that it should be. As a matter of fact, the "21 through routes" were little more than a name for a considerable time, and some are only that to-day. There is entirely too much looping and turning back of surface cars in the business district. In 1915, the state public utilities commission gave an order requiring additional through routing in the business district, turn back service outside of the business district, and the use of trailers. The companies met the order with non-compliance and litigation on the question of the jurisdiction of the Commission.

With constantly growing traffic in the city, the companies have purchased few, if any, cars since 1914. The overcrowding on cars during the morning and evening rush hours on many, if not most, lines, is inexcusable and positively indecent.

The Use of Trailers. The prohibition of the use of trailers by the ordinance was listed as a disadvantage to both the city and the companies. This is believed true for the following reasons: (a) the carrying capacity of a heavy traffic line can be nearly doubled without changing the schedule, by adding a trailer to the motor unit; (b) less track space is taken up for a given carrying capacity; (c) the cost of the trail car is less than for all motor equipment; (d) the labor cost of operation is less. The disadvantages are slight as compared to the gains in the use of trailers for rush hour service. The public has to suffer crowding and inconvenience in some cases that could not well be changed or avoided without the use of trailers.

Service to Adjoining Territory. Previous to the passage of the ordinance, few, if any, of the lines, terminated at the city limits. In many cases a single five-cent fare would carry a passenger well beyond the city limits. Practically all lines now terminate at the city limits, and in addition to changing cars, passengers are invariably charged an additional fare.

UNIFICATION ORDINANCE OF 1913

In 1913, what was known as the unification ordinance was passed, providing for the unified operation of all the surface lines. The entire surface line system, comprising something over 1,000 miles of single track, is now operated as one unit. A single five-cent fare applies to the entire city, and universal transfers are given, including the formerly excepted business district.

TRACTION AND SUBWAY COMMISSION REPORT ON THE ELEVATED ROADS

In 1915, the city council provided for the appointment of the Chicago traction and subway commission; and at the end of 1916, this commission presented its report. This report recommended the unification of the surface and elevated lines, with rather extensive elevated line construction in the outlying districts; and subway construction for both the rapid transit and the surface cars in the business district.

ATTEMPTED TRACTION LEGISLATION IN 1917

In 1917, the traction interests made an effort to secure legislation allowing franchise grants for fifty years; and also to allow consolidation of the surface and elevated lines. Owing to the determined opposition on the part of the Chicago citizens, the legislation was not passed. The attempt was then made to secure legislation allowing thirty year grants. This was likewise defeated.

PASSAGE AND REFERENDUM DEFEAT OF 1918 ORDINANCE

An ordinance was prepared and passed by the city council over the mayor's veto in 1918, known as the "trustee plan." This provided for a board of trustees, the consolidation of the elevated lines with the surface lines, refinancing, etc. At the popular vote referendum in the fall election, the measure was defeated by about 34,000 majority. The opponents of the ordinance considered it one of the most vicious pieces of franchise legislation that has ever been attempted in any American city.

At the time the ordinance was passed to create the traction and subway commission, one of the progressive, public-spirited aldermen endeavored to have the requirement embodied in the ordinance for a revaluation of the surface lines. This was defeated and the inflated "capital account" left as the basis of value.

WHY THE 1918 ORDINANCE WAS WANTED BY THE INTERESTS

While there are undoubtedly advantages to be derived from the unified operation of both the elevated and surface line systems, it has never been urged by any wide spread popular demand on the part of the people. Unification for service betterment was, however, offered as the bait for approval of the trustee plan. Although the ordinance was defeated, it may be worth while to note some of the stakes of the play.

It is not generally known that the entire surface traction properties at the present time are loaded up with outstanding claims almost, if not fully, equivalent to the amount per mile of track that C. T. Yerkes was able to pile on the old union traction system in his day. Not only that, but the major portion of the Yerkes securities were stocks, while the major portion of the present surface line securities are bonds. The present outstanding

bonds of the elevated roads are about $50,000,000, or probably a little more than the equivalent of the depreciated value of the property.

The value of the combined surface and elevated line properties as fixed by the ordinance was put at about $220,000,000. This was to be the basis for computing returns, and also the price the city would have to pay in case of purchase, plus such additions as were made. For the basis of returns, this was about *$56,000,000 in excess* of a conservative estimate of value, and for the basis of purchase by the city, it was about *$90,000,000 too high*. The ordinance, in effect, would have amounted to a perpetual grant. Though the city was given the right to purchase at any time, the inflated price, the city would have to pay, was such as to practically prohibit purchase. No adequate relief could be expected from the depreciation reserve, as that was on the basis of 8 per cent of the gross earnings, the same as for the 1907 ordinance.

Guaranteed returns of 6.2 per cent for 14 years, and 5.8 per cent thereafter, were to be paid on all of this over-capitalization. This would amount to an excess annual return of from four and a half to five and a half million dollars. Fares were to be raised to meet operating expenses and fixed charges, what ever they might be. (The 1907 ordinance gives no guaranteed returns and net receipts can be secured only after the returns of 5 per cent is made on the capital account.)

The trustees were authorized to purchase, or build, transportation lines for twenty miles beyond the city limits in any direction. This would have meant an open field for the exploitation of these lines by the traction "financeers."

CAMPAIGN PROMISES IN BEHALF OF THE 1918 ORDINANCE

The claims made for the ordinance were: that service was to be rendered at cost; that it was virtually municipal ownership; and that it would take the traction question out of politics. Large amounts were spent in the campaign to put the ordinance over, at least some of which was furnished by the traction interests, who showed an unusual amount of anxiety to have the vote for the ordinance carry, although it was announced before the ordinance passed the council that a very hard bargain had been forced upon the companies, and that it was impossible to force further concessions from them. As evidence that the companies were desperately driven by the hard terms of the bargain forced upon them, a grand jury investigation and report, following the passage of the ordinance, stated that while convicting evidence of bribery was not obtainable, there was the gravest suspicion that the improper use of money was an important factor in its passage. It was also brought out in the testimony before the state utilities commission that the association of commerce committee appointed to campaign for the ordinance, had spent a large amount to have the ordinance put over at the referendum election. It was also shown that at least about one eighth of the amount spent by the committee was furnished by the traction companies.

TRACTION LEGISLATION SOUGHT IN 1919

Bills were introduced in the Legislature having as their purpose:

1st. To give the elevated and surface lines the right to consolidate.

2nd. To give the city the right to lease the property from the companies.

3rd. To increase the revenue borrowing power of the city.

Other bills having more or less direct relation to the above were introduced also. None of the measures passed, if the writer is correctly advised.

WHAT OF THE FUTURE?

Can the five-cent fare survive in Chicago? The new cost value of the Chicago surface lines is possibly less than $100,000,000. With a twenty year life this will call for a reserve, or expenditure for depreciation and renewal, of about $5,000,000 a year. The utilities commission estimated that under present wages and operating conditions, the companies this year will earn a net return over operating expenses, of about $8,500,000. Five per cent returns on the investment of $100,000,000 will absorb about $5,000,000 of this net, leaving $3,600,000 to go to the depreciation reserve. With bond interest at 4 per cent as a municipal project, "returns" would absorb about $4,000,000 leaving about $4,600,000 for the depreciation reserve.

It is believed that the elevated roads under public ownership could be operated in connection with the surface lines, and at least the major portion of the service carried on for a five-cent fare. Special assessments might be resorted to, to care for at least part of the cost for right of way and structures. There could be adjustments for long rides and transfer charges if necessary to provide for costs of the service. If it can be avoided, a change from a five to a ten-cent fare, as at present practiced, should not be employed. If a flat five-cent fare is not sufficient a graded fare is unquestionably to be preferred over the straight five-cent increase from one zone to another, whenever the conditions are reasonably favorable.

Constructive city planning and development should play a large and important part in the transportation problems of the future. One of the aims should be to so plan and develop our cities as to reduce where ever possible the demands for transportation. Plan to bring industries nearer to the homes of the worker so that he can live within walking distance of his work. Many industries in any large city that are now carried on in the congested districts, where all of their employees have to use transportation, could, in many cases to the advantage of the business itself, be moved out to where all could walk to and from their work.

The fixed charges on subways can not be carried with a five-cent fare without indecent and outrageous over crowding of cars. If subways have to be resorted to, as has been much talked of and urged in Chicago, then they should be paid for by assessing benefits to adjoining property and that in the immediate vicinity.

A six-cent fare has been collected on the elevated lines for about a year under the sanction of the state public utilities commission. The merits of the fare increase have not been fully gone into by the commission on the basis of actual property value, but was granted as a war emergency rate, and is subject to review.

If the transportation business were carried on as a municipal enterprise, there are a number of ways in which a part of the "burden" could be shifted before it would become necessary to raise fares above five cents. The abutting property owners could be required to pay a part of the cost of paving between the tracks which is now all paid for by the car riders. Extensions and reconstruction could be paid for at least in part, by assessing

benefits to the property benefited by the transportation facilities, rather than for the car riders having to bear all the burden of these costs. Lower interest charges, and conducting the enterprise without profit as a municipal undertaking is of the greatest importance. Decent service on a five-cent fare will have to be based on conservative, honest financing. It can not stand any such financial exploitation as has been carried on under the 1907 ordinance, or under the burden of over-capitalization that would have been created under the proposed trustee plan of 1918 with possible added exploitation.

If the trustee plan had been approved by popular vote, it would have been virtually impossible for the city ever to rid itself of the burden of over-capitalization that was injected into the contract, and with the door open for additional exploitation.

Under expert advice and legal sanction, the city of Chicago has allowed financial exploitation of the traction properties and suffered from bad service, almost, if not quite equal to, that experienced under the régime of C. T. Yerkes.

What Chicago seems to need most of all in connection with its traction problem, is the application of sturdy constructive thought and honesty of purpose, in the interests of the traveling public, rather than to help out reckless or dishonest financial interests. This does not mean new franchise grants, trustee plans, leasing plans, etc., but public ownership and operation of transportation on a sound, honest, unselfish, civic-spirited basis.

(Since the preparation of the article a strike was called on the surface and elevated lines and an increase in wages secured. The principles of the problem, however, remain the same.)

DEPARTMENT OF PUBLICATIONS

I. BOOK REVIEWS

PORTS AND TERMINAL FACILITIES. By Roy Samuel MacElwee. New York: McGraw Hill Book Company, 1918. 315 pp.

This is one of the most interesting and authoritative works on the subject of ports and terminals which has yet been written. "Not only engineers, economists and administrators, but also the general public should be interested." In his first chapter Dr. MacElwee discusses the nature of the problem and shows why it is of special importance at the present time.

The physical characteristics and relative importance of the world's leading ports are then set forth, with comparisons of such ports as New York, London, Liverpool, Hamburg, Hong Kong, etc. It is interesting to note that some of the greatest ports in the world are situated from 15 to 150 miles from the high seas. The comparison between New York and such other great ports as Antwerp and Bremen demonstrates that efficiency of a port does not depend on its size. In order to describe to the student what a port should be in all its parts, the imaginary, ideal port is constructed. The port in which every steamship line entering it can be served by every railroad line serving it without differentials is the port which is bound to be most successful. Such ports as Baltimore, and Boston are languishing because such a condition does not exist.

The chapter on lighterage is of special interest in relation to the port of New York, because at that port lighterage is used to a large extent, taking the place of a belt line railroad. At such foreign ports as Hamburg the lighter is used more as a dray for truck delivery. The chapter on cartage gives a full description of the problem of trucking.

Dr. MacElwee has given a great deal of space to the physical characteristics of piers, sheds, etc., and various methods of construction. This part of the book is profusely illustrated and is particularly interesting to the terminal engineer. Various mechanical devices such as cranes, conveyors, electric trucks for the economical transfer of baggage and miscellaneous freight are described. It is a striking fact that these mechanical devices are used abroad more extensively than in this country, despite the higher cost of unskilled labor here. Machines used for mechanical handling of bulk freight, such as coal, ore, grain, etc., have on the contrary been developed to a high degree in this country and are profitably and extensively used.

As in many other spheres of activity we are forced to look to Europe for the best examples of inland water way development. To appreciate the great influence of the inland water way upon the development of the seaport, one has only to look at such a port as Rotterdam. In this country, New York is the best example of a port served by an inland water way.

In closing his admirable work Dr. MacElwee says: "May these chapters on ports help to point the way to a greater American understanding of the problems involved and to renewed energy of execution." We believe they will.

C. A. ROHR.

PROBLEMS OF RECONSTRUCTION. By Isaac Lippincott. New York: The Macmillan Company, 1919.

For the student of government control during war time Professor Lippincott has brought together a vast amount of helpful information taken from official documents. He has nine chapters headed as follows: the need of reconstruction; war control (food products); war control (fuel administration); war labor control; other elements of control; war control in foreign countries; economic results of the war; reconstruction in foreign countries; a reconstruction plan for the United States.

So far as lay readers attempt to use this material they will regret a method of marshaling it which makes it unnecessarily hard to read. The introductory and concluding chapters on reconstruction share this fault, especially the concluding chapter which causes a further disappointment in that it doesn't live up to its title "A Reconstruction Plan," but will be more fittingly described as "Reconstruction possibilities not yet formulated into a plan."

In the descriptions of war control there are

many omissions of minor matters such as dates and of graver matters such as results and incidents and psychological factors which were determining elements in war control.

Wm. H. Allen.

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History of Suffrage in the United States. By Kirk Porter. Chicago: The University Press. Pp. 260.

To all and sundry American citizens who suspect that the Declaration of Independence established on this continent universal manhood suffrage Mr. Kirk Porter's History of the Suffrage in the United States will be a wholesome shock such as the Philistine always deserves. But those who already know their McMaster, Thorpe, Schirmacher, and other standard books, will find little that is new in its pages, and somethings that are possibly misleading. Take for example, the table on page 13 which does not indicate that in New York there was one suffrage for governor and senate and another for assemblymen. The author would have given firmness to his popular panoramic view, if he had been more careful in the presentation of the troublesome details which after all are necessary to the story. There is still room for a big history of the suffrage giving with meticulous accuracy all of the various qualifications and the steps by which they were gradually modified in the direction of universal suffrage. Until this is done, Mr. Porter's little book will serve as a handy guide to a maze of records and documents. It is an interesting fact that women have not written a corpus juris to support their claim to the ballot, but leave such intellectual gymnastics to the male sex.

C. A. B.

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The Farmer and the New Day. By Kenyon L. Butterfield. New York: The Macmillan Company. Pp. 311.

In these days we have new reason to realize that the man who works the land so that it shall produce from its growth is the only real maker of wealth. All others merely transfer or improve, but the farmer creates. That he is intimately related to every hour of our lives we have become painfully aware, because of the very much increased cost to us of the things he produces.

It is thus in point that a man of Dr. Butterfield's breadth, experience, and fine spirit should discuss "The Farmer and the New Day." The book in question, written with a sincere inquiring mind from a ripe experience and amidst the pressure of doing things for the whole world (for Dr. Butterfield has been a courageous and cheerful war worker), sets the problem before the thoughtful reader. It less draws conclusions than states problems, for it is obvious that Dr. Butterfield himself is a student rather than a dogmatic teacher.

The book includes fourteen chapters and considerable appendices. There are three particular divisions, one on "The Rural Problem," another "The Rural Organization," and the third "A Rural Democracy." The inquiry in the first chapter is "Is the farmer coming into his own?" The answer is by no means definite.

That the farmer is entitled to recreation, to country planning, and to precisely the same opportunity, facility, and encouragement as the city dweller, is Dr. Butterfield's contention. That there needs to be worked out a better and broader rural policy is also well set forth, and in Appendix IV there is a considerable approach to the setting out of a tentative American agricultural policy.

This volume is for thoughtful, forward-looking Americans who are willing to think in the new day with new thoughts and to discuss things as they are. It is very heartily commended, as anything ought to be coming from the able, patriotic and broad-minded president of the Massachusetts Agricultural College.

J. Horace McFarland.

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The Blind. Their Condition and the Work Being Done for Them in the United States. By Harry Best, Ph.D. New York: The Macmillan Company. 763 pp.

In contrast with much of the literature about the blind, which is written from a sentimental standpoint, Dr. Best has based his book on a study of blindness in the United States from the viewpoint of the social economist. He treats very thoroughly the general, legal, and economic condition of the blind; the possibilities of prevention; educational and intellectual provisions; homes and industrial establishments; such other material provisions as pensions and indemnities; and private and public institutions interested in the blind.

BROKEN HOMES. A STUDY OF FAMILY DESERTION AND ITS SOCIAL TREATMENT. By Joanna C. Colcord. New York: Russell Sage Foundation. 208 pp.

Social workers having passed, first, from the "muddling along" stage in the treatment of family desertion, and later from the second stage (of disciplinary treatment), Miss Colcord's little book is most helpful in enabling us to understand just what is the present method. This may be defined as involving a more careful analysis of relationships and motives, a greater variety of approach, and increased flexibility in treatment, a new faith, perhaps, in the recreative powers latent in human nature. Miss Colcord admirably illustrates this point of view in her book, which is the latest in the Social Work Series edited by Mary E. Richmond.

II. BOOKS RECEIVED

ADVENTURES IN PROPAGANDA. Letters from an Intelligent Officer in France. By Captain Heber Blankenhorn. New York: Houghton Mifflin Co. Pp. 167.

EMPLOYMENT PSYCHOLOGY. By Henry C. Link, Ph.D. New York: The Macmillan Co. 1919. Pp. 440.

FIREMAN. Civil Service Examination Instruction. New York: Civil Service Chronicle. Pp. 132. $2.

MADISON OUR HOME. By Frank A. Gilmore. Issued and Copyrighted by the Madison Board of Commerce. Pp. 192.

NEBRASKA BLUE BOOK AND HISTORICAL REGISTER. 1918. Addison E. Sheldon, Editor. Published by Nebraska Legislative Reference Bureau, Lincoln, Neb. Pp. 512.

THE HOUSING OF THE UNSKILLED WAGE EARNER. By Edith Elmer Wood. New York: The Macmillan Co. Pp. 321. $2.25.

THE SCIENCE OF LABOUR AND ITS ORGANIZATION. By Dr. Josefa Ioteyko. New York: E P. Dutton and Co. Pp. 199. $1.60.

WHAT HAPPENED TO EUROPE. By Frank A. Vanderlip. New York: The Macmillan Company. Pp. 188. $1.25.

WHY WE FOUGHT. By Capt. Thomas G. Chamberlain. Foreword by Ex-President Taft. New York: The Macmillan Co. Pp. 93. $1.00.

YEAR BOOK OF THE STATE OF INDIANA for the Year 1918. Compiled and Published under the Direction of James P. Goodrich, Governor, by the Legislative Reference Bureau, Charles Kettleborough, Director. Indianapolis: William B. Burford, Contractor for State Printing and Binding. Pp. 1054.

III. REVIEWS OF REPORTS

Proceedings of the Conference on a National Department of Public Works.—This pamphlet is valuable for its full record of the consideration given to the proposed establishment of a department of the federal government devoted to the nation's engineering and construction activities.[1] In sending out the proceedings the conference committee has also included other pamphlets and literature showing the desirability of a national department of public works and supporting the Jones-Reavis bill now pending in congress for its establishment. The advantages claimed for such a department are summarized as follows:

1. The United States is, with one exception, the only nation of importance *not* now administering its public works through such a department.

2. The public works activities are now spread out over many departments, with no co-ordination of effort. Duplication necessarily results as well as conflict of authority and great waste of public funds.

3. Public works are strictly technical in their character and require the services of a permanent and skilled personnel for their efficient construction and operation.

4. The creation of such a department would result in the formation of a technical organization competent to administer the engineering work of peace and further to provide the nucleus of an organization capable of being expanded immediately to meet the war construction and research needs of the country.

5. The formation of such a department would attract to its service competent men of a calibre not now available for government work; would

[1] See NATIONAL MUNICIPAL REVIEW, vol. viii, p. 449.

create a permanent body of skilled, experienced men, competent to undertake new enterprises, whose permanence of employment and pride of accomplishment would create an excellent "esprit de corps."

6. There is no organization in existence capable of rendering this service.

7. It would permit of a unified control over public works and a comprehensive plant for their continuance over a term of years according to a modern and business-like financial plan based on an annual budget.

8. It would give great stimulus to technical research and study, and create machinery whereby we could compete more nearly on a parity in mechanical matters with the research departments of other great powers.

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How East Cleveland (Ohio) Reports to Its Citizens.—The first annual report of the city of East Cleveland, Ohio, under commission-manager government is in many respects a model. In forty pages it sets forth to a population of 25,000, in everyday language, and with the help of graphic charts, the manner in which some $24,000 of municipal income was collected and disbursed in conducting the city's affairs. Passing over the admirable record made under the commission-manager plan, this example of a concise record intelligible to the average layman is the chief interest in the report. The ordinary bulky, dry department reports, which are unintelligible to the average citizen, are here condensed (in some cases to a page or half page) so that they present in a nutshell the actual work done.

The new charter association of East Cleveland has taken advantage of this excellent opportunity to issue a bulletin on the report and its contents, as a means of establishing a civic intelligence with relation to the functioning of the commission-manager plan. This appreciation of the psychology of the situation is highly gratifying, and it might be followed with effect by civic bodies in other cities. A fundamental difficulty in establishing and maintaining good government is that the average citizen knows far too little about the philosophy and workings of his government, and (largely as a consequence) does far too little intelligent thinking about it. An incessant effort to spread a popular knowledge of civic matters, through all forms of propaganda, must be one of the cornerstones of any effective movement for permanent improvement.

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Public Ownership of Public Utilities.—*The National Economic League Quarterly*, May, 1919, contains a verbatim report of a discussion before the economic club of Boston on the public ownership of public utilities. The discussion, participated in by Samuel O. Dunn, editor of the *Railway Age;* John Martin, publicist; William B. Munro, professor of government, Harvard University; and Delos F. Wilcox, franchise expert, is a valuable contribution on the subject.

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Women's Municipal League of Boston Reports Its Year's Work.—The latest annual report of this organization shows a number of commendable activities carried on. More than sixty classes in the civic education of non-English-speaking women have been conducted; classes have been organized for teaching English to foreign-speaking women; continuous exhibits on home economics have been maintained in co-operation with the state board of food administration; a "fair food price list" has been systematically published; the appointment of a mayor's committee on housing was secured; a campaign has been carried on for the passage of an adequate housing code for the city; substantial work has been accomplished in the creation of school gardens; and an efficient clinic has been established for the care of women of moderate means before, during, and after childbirth.

NOTES AND EVENTS

I. GOVERNMENT AND ADMINISTRATION

Motor Truck Express Service in New York for Transporting Farm Products.—The New York state committee on food production and distribution has issued a report on its investigation of this subject, in which it urges the establishment of rural motor truck express routes. The report enumerates many such routes that have been established in other states, and summarizes the advantages as follows:

1. Giving a market outlet to food supplies hitherto unavailable because of the distance between producer and the market and lack of transportation.
2. Transportation of produce to the consumer more quickly and in better condition than is possible under present methods.
3. Maintaining of men and horses on the farms who now spend a great part of their time driving to market.
4. Elimination of unnecessary handling and special packing of produce involved in shipping by rail.
5. Establishment of more direct connections between farmer and market.
6. Encouragement of diversity in farming, as a result of widening the market areas.
7. Substituting for the disinterested impersonality and limited liability of railroad shipping on short hauls, an agency that personally collects and delivers produce, performing marketing as well as transportation functions.
8. Serving as a feeder to the railroads and water transportation lines.

The committee recommends a constructive state policy toward the development of rural motor express routes, and since the state function in this respect is regarded as being largely educational, it is recommended that the governor appoint a temporary non-salaried state highways transport committee, which shall include the state commissioner of highways, a representative of the state college of agriculture or the county farm bureau organization, a representative of the state department of farms and markets and two other public-spirited men interested in this subject but not connected with any concern having to do with the manufacture or sale of motor trucks.

The purpose of this committee is described as follows:

1. To secure the co-operation of existing governmental agencies including county farm bureau managers, municipal officials and state departments, together with organizations of farmers, food distributors and consumers, in formulating a program for the development of rural motor truck express routes in the localities of the state where they will aid most in giving the farmer a more direct outlet for his produce and in supplementing the existing transportation facilities.
2. To co-ordinate the state's policy of highway construction and improvement as far as possible, with the needs of this program.
3. To stimulate interest in the development of rural motor truck transportation, give publicity to the public utility of the rural motor express and furnish authentic information regarding the conditions under which it may be profitable and of greatest service.
4. To recommend to the governor any legislation or regulation that may be necessary to protect the interests of the public in the operation of motor truck express lines.

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Reclaiming a City's Waste Materials.—One of the outgrowths of the war industries board is a significant effort instituted in Akron, Ohio, for utilizing so far as possible all of the city's waste materials, such as rags, paper, metals, rubber, etc. Through the Akron Industrial Salvage Company, promoted by the chamber of commerce, a genuine civic movement was put on foot for a city-wide system of waste reclamation to deal not only with the waste from the home, but also with that of the store and the factory.

The advantages of the method adopted in Akron differ from those of ordinary methods of waste collection and disposal, first because of constant experiment to find the most advantageous utilization for every waste element, and second because the pooling system employed enables the individual or firm with a small daily or weekly accumulation to dispose of it as profitably as does the firm with a large turnover. In addition special effort is made to inculcate thrift by showing the added value of proper sorting of wastes.

When the Akron Industrial Salvage Company was first organized at the instance of the chamber of commerce, with a capital of $25,000, the directors had no fixed policy for operation, so that several months were consumed in experimenting with various methods. The most obvious proved not to be the most successful; but eventually the company evolved the plan of itself collecting, sorting, and selling all waste materials, rather than of delegating any of these functions to others. This, despite many difficulties, demonstrated itself to be the most effective course.

In the three months ending January 1, 1919, the company handled approximately 600,000 pounds of waste, of which about 220,000 pounds were sold for a little over $6,000. In the first two months of 1919 the company handled 1,000,000 pounds of waste, and sold $12,000 worth. All indications are that the company is rapidly developing an organization and standardizing its methods of operation, and the conclusion is crystalizing among many who have been watching this experiment that it is demonstrating the potentiality of a salvage company operated for the benefit of the community.

Municipal Milk Depots in Newark (New Jersey).—These depots have been in existence for about six months, having been established by Mayor Charles P. Gillen of the department of public affairs, who obtained approximately $5,000 with which to start operations. At the present time the three depots are selling approximately 2,000 quarts of grade A pasteurized milk per day at a price of eleven cents per quart, which is about eight cents less than the price charged by regular dealers for grade A milk in bottles.

The milk depots are located in the congested dwelling districts of Newark, where a steady trade has been developed. The milk is sold from large containers in each of the stores. These containers have a faucet arrangement through which the milk is allowed to pour into the receptacle that the customer brings with him or her. Each milk receptacle has to have a cover so that it is protected from a sanitary standpoint during transmit from the milk depots to the home. Most of the patronage of the milk depots is from poor people, but there is occasion for other persons buying from these depots because of the economy.

The money advanced for the establishment of this municipal enterprise must finally be paid back to the city. With the original appropriation a creamery was established by the city at Blairstown, Warren county, about 70 miles from Newark and in a farming section. The pasteurization and shipments are made from the Blairstown creamery.

FRANK A. HIGGINS.

Community Welfare Department for Indianapolis.—A law passed at the last session of the Indiana legislature provides for the establishment in "each city of the first class"—otherwise known as Indianapolis—of an executive department of community welfare, under the control of a board of sixteen members, appointed by the mayor, and serving without compensation. After the first board is appointed, four appointments are to expire each year, and new appointments are to be made by the mayor from nominations made by ballot by the board, members whose terms are about to expire having no vote in the nominations. The board has authority to accept in the name of the city any gift or bequest made for community welfare purposes, or for an unspecified purpose, and apply such funds to any enterprise involving health, education, safety, pleasure, comfort, welfare, or convenience of, or other benefit to the citizens of the city.

Salary Standardization at Washington.—The total absence of standard titles, work specifications, or salaries among the great mass of the employes in the federal departments at Washington, whether clerical, labor, or technical, has long been recognized as a fundamental weakness of the entire personnel system governing these employes. For some years past the Civil Service Commission and some of the department heads have repeatedly in their annual reports called attention to the need for a comprehensive, standard classification of this great body of personnel, now numbering over 100,000. More recently the Federal Employes' Union, which has in the past few years very heavily increased its strength among the department employes at Washington (now numbering, it is said, some 30,000 of these as its members), has been persistent in its efforts in the same direction.

The addition of thousands of clerical and technical employes to the Washington forces during

the war, almost without exception employed under lump sum appropriations and without any central control as to salary rates or titles, sharply aggravated the existing situation, particularly as the general level of rates offered new employes was substantially higher than had prevailed in the departments before the war.

The result of these several factors was the creation, by act of March 1, 1919 (40 Stat., 1269), of a "Joint Commission on Reclassification of Salaries." By the bill it is made the duty of the commission "to investigate the rates of compensation paid to civilian employes by the municipal government and the various executive departments and other governmental establishments in the District of Columbia, except the navy yard and the postal service, and report by bill or otherwise as soon as practicable what reclassification and readjustment of compensation should be made, so as to provide uniform and equitable pay for the same character of employment throughout the District of Columbia in the services enumerated."

The commission is composed of three senators, appointed by the vice-president, and three former representatives, who were members of the last congress, appointed by the speaker of the house.

The act appropriated $25,000 for the expenses of the commission, and by the sundry civil appropriation bill for the current fiscal year, recently enacted, an additional appropriation of $50,000 was granted. This does not, however, represent the total resources available to the commission, as the act requires the heads of the various governmental services "to furnish office supplies and equipment, detail offices and employes, furnish data and information, and make investigations whenever requested by the commission." Very extensive use is being made by the commission of the authority granted in this section. In particular, in connection with the great mass of clerical work involved in the filling out of the questionnaires by the individual employes, the commission followed the plan of decentralizing the work almost completely, having it performed under the direction of the chief clerks of the several departments pursuant to standard instructions. So, too, the actual work of studying the organization of the several departments, developing standard classifications and classifying individual positions, is for the most part being done by officers and employes of the several departments and bureaus detailed to the commission for the purpose.

From the beginning the commission has emphasized more strongly than has been usual in salary standardization work the representation of the employes themselves on the numerous committees that have been set up. A novel feature appears in the definite recognition by the commission of the Federal Employes' Union as officially competent to speak for the employes.

The efforts of the commission to date have been directed solely toward the development of a schedule of standard titles, work descriptions, and compensation rates. The commission has not yet announced what method it purposes to recommend to congress for putting this standard schedule into effect, nor for reclassifying and readjusting the salaries of individual positions. This last is, of course, one of the most difficult elements in any standardization program. Similarly it has not yet been made public what method the commission will recommend to congress for the maintenance of current control over changes in titles, duties, and compensation, and the conformance of such changes to the standard schedule.

As already stated the work of the commission applies only to employes in the District of Columbia, and it is here doubtless that the need for reclassification has been most acute. The work could usefully be extended, however, to cover the hundreds of thousands of employes in the field services. For the postal service this is already being done, the last congress having provided also for a commission on the reclassification of salaries in the postal service (act of February 28, 1919, 40 Stat., 1200). This commission has but recently been organized.

LEWIS MAYERS.[1]

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Civic Progress in East St. Louis.—As the result of strenuous campaigning for more than two years for progressive, business, civic administration, East St. Louis is now engaged in adjusting the commission form of government to its conditions. The governing body is made up of the mayor and four commissioners. Though there has been friction between the mayor on the one hand and the four commissioners on the other, since the installation of the new system on May 1, the commission is taking steps to effect permanent solution of the big municipal problems, principal among which is that of

[1] Institute for Government Research, Washington, D. C.

financing. Those who have looked into civic affairs are positive that East St. Louis will have to increase both its bonded debt and revenue. As the first move the commission has set out to revise scientifically the ordinary license taxes, and from this source considerable income will be derived. But the large increase must come from taxation of realty and personalty.

The commission is also taking up with determination the recommendations of the chamber of commerce for the improvement of four major streets with smooth pavements, and one heavy-traffic street. These streets will connect with the new federal-state-county highways which are being constructed, and also with the Eads and municipal bridges which cross the Mississippi to St. Louis. The new city administration is unpartisan and competent, and obviously aims to make a reputation in managing the municipality on business lines. The citizenship, for its part, is alert and aggressive, and will insist on business administration. Contrary to widely prevailing opinion, there exists a vigorous public spirit.

The first expression of public demand for betterment was the adoption, some ten years ago, of a district park and boulevard system and a district levee and sanitary district, both of which were great undertakings. The actual campaign for general reform and betterment began in the spring of 1917, when existing commercial and industrial organizations were merged to establish the chamber of commerce. The chamber of commerce set the movement in motion by getting 25,000 words of publicity, emphasizing to the people the benefits to be gained from having the most beautiful residential city and a well-governed city. A committee of one hundred, organized to handle civic problems, originated the idea for the commission form, and the rotary club volunteered to conduct the campaign for the commission form, as a result of which the new system was approved by the citizens by a vote of two to one.

The chamber of commerce next inaugurated a campaign of education, contrasting misrule with good government and elevated high civic ideals. It agitated the popular conscience to an appreciation of the ill effects of government by bi-partisan politics. Thus, by steady and consistent work, the community sentiment for good government was built up.

In the summer of 1918 the war department raised a fund of $200,000 for civic betterment work from the corporations, and founded the war civics committee to handle civic problems in East St. Louis. The three-year work of this committee is now in progress. Its field is mainly civic and social service.

In the spring of 1919, when the commission form was to go into effect, and the new officers to be elected, a number of prominent citizens met and organized the new era committee, the object of this committee being to standardize the character of the nominees and to make the issue of good government direct and definite. Although only one nominee on the new era ticket was elected, the primary result of electing reliable officers was achieved.

A word about the riot and misgovernment conditions should be added. This was not the only city threatened with a race riot. There were two small cities and one large city which feared similar disaster, and there were many cities which were worried by troubles consequential to the tide of negroes from the South to the North to find employment in manufacturing cities.

There were two immediate causes of the riot in East St. Louis. One was the number of disturbances which agitated the public; the other was the state created previously by bi-partisan politics and weak government. So that, primarily and conclusively, the underlying trouble in East St. Louis was the same kind of bi-partisan politics which disgraced New York, Chicago, St. Louis, San Francisco, and hundreds of other cities, large and small. It should be borne in mind, as a phase worthy of consideration, that East St. Louis has been doubling its population every ten years. The achievement of reform and business administration could not, in all probability, be effected any sooner. It must be likewise apparent that the solution of the much-discussed problem in East St. Louis is very simple. The solution is wholly an expression of public spirit and the performance of good government, and East St. Louis has both.

J. N. Fining.

St. Louis Zoning Law under Fire.—The recently enacted zoning ordinance for St. Louis has been attacked from several quarters during the last few weeks, and the discussion ensuing has resulted in a number of amendments being adopted by the local board of aldermen. Objections to the law were principally voiced by the city building commissioner, who claimed that the law had prevented millions of dollars worth

of new building in St. Louis. His contentions were supported by the contractors, the union building tradesmen, a number of architects, and the real estate exchange. The latter body went so far as to recommend the entire repeal of the ordinance. The city plan commission at first was opposed to any amendments, but finally compromised on the following four:

1. The board of public service was given power to approve plans "which may slightly violate the letter of the building regulations established by the zoning law, if they do not violate the spirit of the law."

2. Specifications were laid down requiring that apartment houses 80 feet or more in height should have 2½ inches of yard space at the rear, or at the side, for each foot of height, and that center courts should extend 3 inches for each foot of building height.

3. It was provided that in the down-town district 15 per cent of a lot's area must be left clear for light and air. This may be at the rear or in an inner court. In the industrial district 10 per cent of the area of corner lots must be used for light and air, and 20 per cent of other lots. In the commercial district 25 per cent of all lots must be so set apart.

4. Stage towers and scenery lofts of theatres are now classed with church spires or towers of other buildings, which are exempt from height regulations.

These amendments represent a "loosening-up" in the zoning scheme. All of them were adopted with the exception of the first, the Board of Aldermen placing the discretionary power of appeal, in the case of maximum heights of buildings in the commercial and industrial districts, in the hands of the building commissioner. The plan commission strongly advised that there be no further changes until the law had had a thorough try-out. From the attitude of those opposing the present regulations, it is safe to say that further efforts will be made to amend or nullify them. LOUIS F. BUDENZ.

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Mosquito Extermination Pays.—The jokes about New Jersey mosquitoes are rapidly becoming extinct, with the pests themselves. A large proportion of northern New Jersey mosquitoes breed in the marshes or so-called meadows along the Passaic and Hackensack rivers, which cover thousands of acres. The problem of preventing mosquito breeding here was a most difficult and formidable one, but the state tackled it in 1905 and has been at it ever since, with help from Essex county, while the cities and towns in the vicinity gave more or less assistance.

There are now comparatively few mosquitoes in New Jersey. The meadows themselves are habitable, and many industries have sprung up there. A considerable area of the mosquito-freed meadows are along Newark's water front. In 1905 this section paid $7,650 in taxes, according to the *Municipal Journal;* in 1918 it paid $238,513. An annual income increment of $230,000 is 5 per cent on $4,600,000. If we assume that only half the increase is due to the waging of war on mosquitoes and also allow $10,000 a year for maintenance of the drainage works, we still have 5 per cent on $2,100,000. The cost of the anti-mosquito work in this district has not been anything like two million dollars. Any section suffering from these malaria-carriers should take steps to protect the inhabitants by destroying mosquito breeding places. In many cases they may find this financially remunerative, as did Newark.

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City Manager Notes.—Ranger, Texas, has adopted the city manager plan, with M. A. Turner, of Ranger, as the first manager. Alcoa, Tennessee, population 3,000, and Gastonia, North Carolina, population 20,000, have also provided for city managers.

Tallahassee, Florida, expects soon to be among commission-manager cities, having approved and passed on to the state legislature for sanction a new charter which follows closely "model charter" lines.

A bill passed by the New Mexico legislature to amend the charter of Albuquerque, by reverting to a close approximation of the old aldermanic system, was defeated upon a referendum.

Recent changes in city managers include the selection of Charles O. Ephlin, formerly county commissioner, as acting manager of Wheeling, West Virginia, to succeed the late George O. Nagle. Bonner Hill succeeds M. J. McChesney at Charleston, West Virginia. M. E. Martin succeeds J. C. Caldwell at Ocala, Florida. W. H. Larson has been appointed manager at Electra, Texas; Martin S. Ruby at Lubbock, Texas; L. L. Ryan at McCracken, Kansas; and M. E. Mitchell at Lufkin, Texas.

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Temporary Financial Relief for Ohio Cities.[1]—At the recent session of the Ohio legislature a compromise financial measure was finally put

[1] NATIONAL MUNICIPAL REVIEW, vol. viii, p. 389.

through by the governor. This measure allows cities to issue bonds against certain deficiencies, if approved by the voters at the polls.

The legislature proposes to meet again after the November elections, at which time the classification amendment[2] will be voted up or down. In case the amendment is ratified the legislature will go forward immediately with a program for permanent financial relief. The finance committees of that body are to hold sessions intermittently from now until November.

C. A. DYKSTRA.

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Municipal Regulations Governing Water Meters.—Report No. 404, issued by the state bureau of municipal information of the New York state conference of mayors and other city officials, is a summary of data gathered by the bureau concerning the regulations controlling the use of water meters in American cities. These regulations cover the ownership of meters; what deposit, if any, is required on meters; annual rental charges; and charges for installation, maintenance, repairs, and replacements. No adequate summary of this information can be presented here in the space available, but the full report is worthy of study by all interested in the subject.

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Selling Municipal Bonds "Over the Counter."—The sale of municipal bonds directly to citizens is estimated to have amounted to approximately $50,000,000 in the last few years. This estimate includes sales by Milwaukee, Boston, Chicago, St. Paul, Philadelphia, St. Louis, Baltimore, Cincinnati, San Francisco, Minneapolis, and New York City. In denomination some of the bonds have been as small as $10, ranging from this figure to $1,000 or multiples thereof. The rate of interest has been pretty uniformly 4 per cent, in one instance dropping to 3.65, while with the exception of a series of demand bonds the term has varied from 20 to 30 years.

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Milwaukee to Study Municipal Ownership.—A committee of able citizens representing all principal interests of the city has been appointed by direction of the common council of Milwaukee to investigate the feasibility of the purchase by the city of the public utilities owned by the electric company. A recently enacted state law provides for the municipal payment for street railways or other public utilities by bonds issued against the value of the plant, the interest and principal to be paid from a fund set aside from the gross earnings of the plant. Such bonds are not charged against the general borrowing capacity of a city.

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Proportional Representation for Ireland.—The Irish "local government bill" was passed by the British Parliament and became law on June 3, the vote in the House of Commons on the third reading being 244 to 42. It applies the Hare system to the election of all local representative bodies in Ireland. As the members of representative bodies are the only officials elected in Ireland, this means of course that the Hare system is to be the only system used in Ireland for local elections.

II. POLITICS

Cincinnati Council of Education Does Effective Work.—The Cincinnati council of education, which for the past eight years has accomplished its main purpose of electing an efficient school board, is a delegated body composed of representatives from various civic organizations, such as the chamber of commerce, business men's club, federated improvement associations, woman's club, woman's city club, federated mothers' clubs, and council of Jewish women. The council of education has co-ordinated its work with the Republican party to good advantage; the Democratic party, however, has taken only a perfunctory interest in school affairs, due perhaps to the large Catholic constituency of that party and the fact that the Catholics have their own parochial schools. The weakness of the council has been that it does nothing between elections. The purpose was that it should follow and advise upon all educational matters and questions of policy coming before the school board; but it has not seemed practicable to maintain the necessary interest and secure the required funds for this part of the work.

This year, with three members of the school board to be elected, the council indorsed two of the retiring members whose records were satisfactory, and for the third candidate secured Dr. F. B. Dyer, formerly superintendent of schools in

[2] NATIONAL MUNICIPAL REVIEW, vol. viii, p. 94.

Cincinnati and later of Boston. There is strong confidence that these candidates will be elected. The nomination of Dr. Dyer solved a difficult problem confronting the council, namely, an insistent demand among the women delegates that the third candidate be a woman. The Republican party refused to agree to this, and if the council had not yielded the Republicans would probably have nominated their own ticket, with every prospect of its election. But when Dr. Dyer consented to run, his eminent qualifications were so apparent that the women yielded their point, but only after the council had pledged itself to the principle of having a woman upon the school board. Consequently it would appear that after this election the plan followed in the last two elections, of obtaining the approval and support of the Republican party for the council's nominees, can continue only if the Republicans have a decided change of heart regarding women on the school board.

⚜

Non-partisan Elections Abolished in Third-Class Cities of Pennsylvania.—The Pennsylvania legislature took a backward step at its last session by the passage of a law repealing the non-partisan election provisions for third-class cities, and substituting partisan elections. The law also makes the treasurers in cities of the third class elective by the people instead of by the council. This deplorable repeal, affecting more than thirty cities, tears down all the good work that has been done in the last five years, through elections conducted on local issues, to break the power of machine rule and special privilege in these cities.

The non-partisan election law for cities of the third class, together with the non-partisan judicial ballot law, was passed by the legislature elected during the Progressive upheaval in 1912. Ever since the enactment of the law machine politicians with party or selfish interests to serve have been plotting for its repeal; but until the present time their reactionary efforts have been foiled. Even in the early part of the legislative session just closed the repealer was defeated in the house, and only by the utmost organized pressure, augmented by help from the Philadelphia and Allegheny machines and from the liquor interests, was it finally reconsidered and forced through under the claim that it was favored by Governor Sproul. The Governor repudiated the use of his name and held the bill for the time without action. Fearing a veto, its sponsors had the bill recalled by the legislature, and in the closing hours of the session passed it a second time. In the light of these events the governor's approval of the repealer came as a bitter disappointment to many of his friends, despite his consistent adherence to the system of partisan government. R. R.

⚜

Detroit City Employes Win Eight-Hour Day.—The city employes of Detroit objected to working from 8:30 until 5 o'clock, with half an hour for lunch, considering this a violation of the city charter provision calling for an eight-hour day. Upon petition the city council limited their working day to the period from 9 to 5 o'clock with an half hour for lunch included.

III. JUDICIAL DECISIONS

Buffalo Fares.—An interesting decision of the New York court of appeals is that the public service commission has authority to raise fares in Buffalo above five cents in spite of the Milburn agreement which has up to this time prevented any increase of fares in that city. The court said that the legislature had delegated power of adjusting rates, under the franchise, to the commission, when it passed the public utilities act of 1907. In so deciding the court stated that it was not denying but enforcing the terms of the franchise. It is believed that this decision does not overrule the Quinby case of 1918, because in the Buffalo franchise the legislature was given power to regulate fares. Judge Cardoza said, *inter alia:* "Municipality and railroad have joined in this declaration that the rate fixed by their agreement shall be not final but provisional. It is subject in case of need to re-examination and readjustment by the agents of the state. The need that was foreseen as possible has arisen. In upholding the jurisdiction of the commission to deal with it, we do not override the conditions of the franchise. We heed and enforce them."

⚜

Sewage Disposal.—In the case of *Darling* v. *City of Newport News*[1] the supreme court of the United States held that the right given the

[1] 39 Sup. Ct. Rep. 371.

city of Newport News by its charter and by statute to discharge its sewage into the ocean does not violate the contract rights of an oyster bed lessee, holding under a statute granting the absolute right of occupancy for fixed periods, since these provisions relate to the possession of the land and not to the quality of water over it.

Police Pension Fund.—The police pension fund act was held retro-active by the supreme court of Illinois in the case of *Beutel* v. *Foreman*[2] and to apply to all persons entitled to pensions under the act, including a retired policeman who had served twenty years, and who would have been entitled to a pension under the preceding law, but was now excluded by the present act because he was not fifty years old. An act will be given a retro-active effect when it is clearly the intention of the legislature to make it so.

Transportation of Garbage.—In the case of *Wheeler* v. *City of Boston*[3] the supreme court of Massachusetts decided recently that a Boston ordinance providing that no person shall transport kitchen swill or garbage through the alleys or streets of the city, municipal collection and removal of the entire mass of garbage being necessary to preserve the public health, is a valid exercise of the police power by the city, justifying the refusal of permits to farmers to convey garbage and swill through the streets. This is coming to be a very important question, especially in cities operating their own reduction plant where it is essential that they should get all the garbage available, especially that of the hotels and other large food handling establishments.

Civil Service.—In the case of *Stiles* v. *Morse*[4] the supreme court of Massachusetts held that where three of the five members of the City Council of Lowell, clothed with the power of removal under the civil service law, went through the form of adopting orders removing the city treasurer without notifying him of the proposed action and without giving him a copy of the reasons for the removal, such removal was improper and, whether the council members acted in an administrative or quasi judicial capacity, were individually liable to the treasurer for nominal damages at least.

[2] 123 N. E. 270.
[3] 123 N. E. 684.
[4] 123 N. E. 615.

Removal of Tracks.—The supreme court of the United States in the case of *Denver & Rio Grande Railroad Company* v. *City and County of Denver*[5] held that an ordinance requiring the removal of railroad tracks, put down by virtue of an ordinance, from the intersection of two of the principal streets, does not offend against the commerce clause of the constitution, since it makes no discrimination against interstate commerce and does not impede its movement in regular course, affecting it only incidentally and indirectly.

Summer Camps.—In the case of *Keller* v. *The City of Los Angeles*,[6] the supreme court of California decided that the city in conducting summer camps under the charter provisions for maintaining the health of the children of the city was engaged in performing a governmental function though making a small charge to pay expenses, so that it was not liable for damages to a boy injured at the camp. This is in line with numerous other decisions on this same subject. It seems sometimes, however, as if this doctrine might be carried too far in some instances.

Franchises.—The federal district court for the southern district of Iowa in the case of *Muscatine Lighting Co.* v. *The City of Muscatine*[7] held that the franchise contracts fixing rates to be charged for lighting cannot be revised by the courts because the rates have become non-compensatory, although the municipality reserved the right to revise the rates. The fact that lighting rates fixed by franchise contracts later became confiscatory because of unfavorable industrial conditions does not deprive the utility of its property without due process or deny it the equal protection of the laws.

In the case of *Virginia Western Power Co.* v. *Commonwealth*[8] the supreme court of appeals of Virginia held that where the municipality of Clifton Forge, at the time of granting the franchise, was vested with unlimited power to contract as to rates charged for service that the rates fixed in the franchise contract are irrevocable under that section of the Federal Constitution forbidding the impairment of the obligation of a contract by state law.

[5] 39 Sup. Ct. Rep. 450.
[6] 178 Pac. 505.
[7] 256 Fed. 929.
[8] 99 S. E. 723.

In *Black* v. *New Orleans Railway and Light Co.*[9] the supreme court of Louisiana decided that contracts between a city and a street railway company, permitting temporary increase of fares as a war measure for a limited time, were made for the public good, so that tax payers, not alleging any vested right or interest in the contract, and not alleging that the ordinance was unreasonable or in bad faith, or that their taxes would thereby be increased, and not referring to any law forbidding the city to modify the contract, had no interest to sue to enjoin the collection of increased fares.

In *San Antonio Public Service Co.* v. *The City of San Antonio*[10] the Federal district court held that under the Texas constitution, a city having power under its charter, "exclusively to regulate everything connected with street railroads," is without authority to make an irrevocable contract fixing the rate of fares in an ordinance granting the franchise to a street railway and that such a provision is regulatory, subject to change by the city to protect the public from excessive charges for service and to the constitutional rights of the company to earn a fair return on its investment. In this case the company was trying to get away from the franchise rate of five cents and was asking equitable relief from the crushing effect of two ordinances, one of which prevented the company from increasing its fares without the city's consent and the other which limited the fare to five cents.

[9] 82 Sou. 81.
[10] 257 Fed. 467.

ROBERT E. TRACY.

IV. MISCELLANEOUS

A Municipal League 750 Years Old.—A league of municipalities whose beginning runs back to the middle of the twelfth century is the record disclosed in the book of the 1919 convention of the royal burghs of Scotland, an imposing volume of over 150 pages.

The most interesting section of the book contains a historical sketch of the organization, in which we find that the convention is supposed to have been organized by King David I of Scotland. 1124–1154. At that time commissioners of four of the principal towns of Scotland established the custom of meeting periodically as an ultimate court of appeal respecting matters that concerned the internal interests of the royal burghs. This body was known as the "Court of the Four Burghs," and its decrees were declared to be equally final and conclusive, in all affairs subject to its jurisdiction, as those of the Scottish parliament, of which it was finally made a part. Its separate jurisdiction was still recognized, however; questions of dispute were referred to it, and its decisions accepted. Even after it was enlarged by the admission of additional burghs it was called, in a charter granted to it by James II, in 1454, the "Parliament of the Four Burghs," and it was ordained "to do and exercise all and singular which in any way, in the court of parliament, according to the laws, statutes, and customs of burghs, are treated upon, considered, and finally determined." In 1487 a yearly meeting was established for commissioners from all the burghs of Scotland. Subsequently, in 1581, the commissioners were authorized to convene "in quhat Burgh they thoucht maist expedient, with full commission, to treat upon the weilfair of merchandis and merchandice, gude rewle and Statutes for the common profit of Burrowes." By the treaty of union the "rights and privileges of the royal burghs of Scotland as they are now, do remain entire," and the convention of the royal burghs of Scotland is unique as the last remnant of the old parliament of Scotland. It is an important deliberative and consultative assembly, actively promoting useful and practical legislative measures, and is thoroughly representative of burghal interests.

The scope and activity of this interesting and powerful body is illustrated by the present year book. It contains the records of about fifty meetings held during the year by various committees, in addition to the minutes of the convention held in 1918, the program for the 1919 convention, and various data and appendices.

*

A League of Mayors to Meet Annually at Washington.—A significant feature of the conference of state and municipal executives, held at the White House in March, was the general conclusion, drawn from the speeches of governors and mayors, that the municipal executives had a closer understanding of the common needs

than had the state executives. Consequently there is promise in the prospect of a permanent league of mayors to hold an annual conference in Washington. The following committee on organization was elected to report at the next conference, which is to be called by Secretary of Labor Wilson early in 1920: Mayor George L. Baker, Portland, Oregon; Mayor F. W. Donnelly, Trenton, New Jersey; Mayor W. Montague Ferry, Salt Lake City, Utah; Mayor Daniel W. Hoan, Milwaukee, Wisconsin; R. J. Wheeler, Allentown, Pennsylvania; Roger W. Babson, secretary.

Cincinnati Has a Girls' City Club.—This innovation was the result of a desire on the part of a group of young women students of the University of Cincinnati to prepare themselves for taking part in the life of the city. Accordingly they asked the aid of the woman's city club, with the idea that later they would be ready for membership in that body, and that meanwhile they might have some group affiliation with it. Their request was granted and they were accorded certain club privileges. The program for preparation is now being worked out, and its result will be watched with great interest.

A New Phase of the Research Movement.—A new phase of the bureau movement was initiated at the meetings of the governmental research conference in Chicago on June 23 and 24. The conference is a very loose organization of local bureaus, undertaking little more than to hold annual or semi-annual meetings for the purpose of discussion and to disseminate monthly information as to their current activities. The proposal of a more effective national organization was enthusiastically endorsed and the first steps were taken for its establishment.

This organization is not, however, to be a mere association of local bureaus. It is to have a separate and independent existence. Its purposes will be to stimulate more effective government wherever the need, to give national backing to the local bureaus, and to aid in the launching of bureaus in every field of government, national, state, county, city or others. By making more mobile the expert and technical experience available, it will cut the costs of local operation. It will give a solidity to the bureau movement that will be reassuring to the workers in this field.

This organization will also formulate a nation-wide bureau policy, which was not feasible so long as the bureaus were wholly detached. Divergent as are the needs and opportunities in different places, the discussions in Chicago demonstrated that the elements of such a national program have already been developed. The organization will stand for the promotion of a system of government built upon principles proved by experience, such as a simple, responsible, administrative organization, financial planning and control, informative accounting, systematic purchasing, and standardization so far as practicable of salaries, grades and methods. The organization will stand, in short, for a scheme of scientific management as applied to government.

A committee was chosen to develop these plans. It consists of Charles A. Beard, Chairman, New York; Frederick P. Gruenberg, Philadelphia; F. L. Olson, Minneapolis, and Lent D. Upson, Detroit.

ROBERT T. CRANE.

Bureau of Municipal Research of the University of Texas Changes Its Name.—The name of the bureau of municipal research of the University of Texas has been changed to the bureau of government research. This change in name will not affect the work which the bureau has been doing for the cities of the state. Municipal research service will be continued and the bureau will remain the secretariat of the league of Texas municipalities. State and county government, on account of their close relationship to municipal government, will be added to the field of investigation, an extension which should make it possible for the bureau to render even better service to the cities than before. The publications of the bureau will be continued under the name of the "Government Research Series."

Municipal Orchestra for Birmingham (England).—Prominent citizens associated with musical circles in Birmingham, England, are desirous of establishing a city orchestra, or in the absence of such an orchestra, to encourage and absorb local musical talent. The total

annual cost of an orchestra is estimated at $42,500, and the revenue from the concerts and engagements of the orchestra at $30,000. One half of the deficiency of $12,500 is to be guaranteed by private subscribers for a period of five years.

The orchestra when established will comprise seventy instrumentalists who will provide Saturday and Sunday and symphony concerts, light music for dancing, and also give the parks committee an opportunity of extending its useful work of providing music in the parks. Concerts will also be provided for school children.

The parks committee has been authorized to contribute for a period not exceeding five years one half of any deficit that may occur.

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The Assessment of Real Estate

BY

LAWSON PURDY

For many years President of the Commissioners of Taxes and Assessments of the City of New York

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FOREWORD

THE committee on sources of municipal revenue of the National Municipal League believes Mr. Purdy's article to be of interest and value, not merely to tax officials but also to taxpayers and students of government and finance generally. In it Mr. Purdy, for many years president of the commissioners of taxes and assessments of the city of New York, states briefly and simply the type of organization and the principles of administration which, in his opinion, are best adapted to the task of assessing real estate in American municipalities. The document is not intended to be a complete manual of technical procedure in this field, but nevertheless, in it the technician will find a general guide and a number of references to sources where details may be found. It is rather a non-technical statement of Mr. Purdy's general conclusions arrived at after a long period of experience as a practical tax administrator. The committee hopes that, coming as it does from the pen of the acknowledged authority in this field, it will serve to crystallize public sentiment in favor of better assessment methods, without which our municipalities will scarcely be able to meet the financial problems of the years which lie immediately ahead.

It may seem to some that the technical problems of assessing real estate are only remotely connected with the problems of the sources of revenue. Almost everyone prefers a "new" source of revenue when a period of financial difficulty arrives. The committee, however, feels that in view of the huge development and the wide scope of the present federal taxes, it behooves the municipalities, first of all, to develop to a point of highest efficiency the sources of revenue that are recognized as peculiarly their own, the chief of which is the real estate tax. Improved administration of this tax will result in the elimination of inequalities, the lessening of dissatisfaction, and an increase of revenue greatly in excess of the additional expense involved.

This constitutes the first of a series of supplements dealing with the various aspects of the municipal revenue problem which the committee plans to publish from time to time.

ROBERT M. HAIG,
Chairman, Committee on Sources of Revenue.

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THE ASSESSMENT OF REAL ESTATE

BY LAWSON PURDY

INTRODUCTION

UNDER the constitutions and statutes of all the states, real estate is taxed on its capital value and provisions are made for assessment. In some states the county is the assessing unit and in others, the town or city. In many cases assessors are elected; in others appointed.

There are examples of very excellent real estate assessments where the form of administration is most undesirable; there are examples of wretched assessment where the form of administration is excellent. No city should be discouraged because it cannot at once obtain a good form of administration. If it has the will it can achieve a good assessment in spite of poor administrative forms.

The rule is practically universal that real estate shall be assessed at its market value. This idea is phrased in various ways in different statutes. One of the best phrases, perhaps, was formerly contained in the tax law of New York to the effect that real estate shall be assessed at "the sum for which it would be appraised in payment of a just debt of a solvent debtor." It is commonly provided that real estate shall be assessed at "its full value" or "fair cash value." The judges have sometimes said that all these phrases mean the same thing and in common language signify "market value." Sometimes it may truly be said that certain real estate has no market value in the sense that there are no buyers ready and willing to pay any reasonable sum for it. In such cases it is proper to fall back upon the other phrases of the law such as "full value" and the sum for which the real estate would be appraised in payment for a debt.

The end and aim of real estate assessment is to secure such a valuation of every parcel that the tax imposed upon it shall bear a proper relation in proportion to its value to the tax imposed on every other parcel within the tax district. To achieve these ends an efficient administration is important, the employment of skilled assessors, and the use by the assessors of those methods and tools of their profession which experience has shown of value. The assessment should be made annually and the assessors should be busy every day in the year except for three weeks' vacation.

THE BEST FORM OF ADMINISTRATION

I shall endeavor to describe what is generally regarded as the best form of administration regardless of the fact that in many cities to obtain that form of administration there must be changes in state law and in some cases constitutional changes.

In every city the assessing department should have as its executive head a single person. It is highly desirable that he should be intelligent and experienced, but it is vital that he should be within the control of the voters. Therefore he should be appointed by the executive head of the city. Associated with the executive head of the assessing department should be two or more to compose a board of review. The number of such a board depends upon the size of the city. In the largest cities such a board need not exceed five and should, ordinarily, not exceed three. In a small city the two associates of the executive may be elected officials who hold this office ex-officio because of another office or they may be appointed for this duty exclusively and paid a correspondingly small salary.

It is very important that the board of review should include the executive head for otherwise they may disturb a whole assessment roll and make it chaos. The work of review should be bound up with the orderly direction of assessment.

In small cities the duties of the executive head of the assessing department may be light. He may, therefore, be paid a small salary and allowed to engage in other business. In a large city he should not engage in any other business; the salary should be sufficient to enlist the services of a competent man who will devote his entire time to the service of the city. In a small city the head of the assessing department may also do the actual work of assessing, with perhaps some clerical help. In larger cities, of course, his duties will be supervisory and the department will employ assessors.

Assessors should be appointed after a thorough civil service examination designed to test their ability to appraise real estate. The questions asked in such an examination should involve the actual problems presented to the assessor. The examination should be so difficult that no man without technical knowledge of assessing real estate should be able to pass it. Such an examination should, therefore, exclude a large percentage of the unfit. That is about all that any civil service examination can do. Dissatisfaction with civil service regulations is apt to be due to the expectation that they can automatically select the most fit. That is expecting too much of any human device. The merit system of the civil service is, however, exceedingly important in obtaining suitable assessors. When appointed they should hold office so long as they perform their work properly. They should be removable only for cause. Their position should be such that they should be able to look forward with confidence to a gradually increasing salary which should be sufficient to offer them a satisfactory, permanent career.

The standards of living and wages vary so much throughout the United States that it is impossible to name salaries that would be applicable in all places.

In small cities the city engineer's department may prepare the maps for the assessing department. In a city of large size the assessing department

should have its own surveyor. Whoever serves as surveyor for the assessing department should obtain the place as the result of examination and should be removable only for cause. All clerks and other employees of the department should likewise be appointed as the result of examination and should be removable only for cause.

The number of assessors is quite often too small. The number must vary according to the number of parcels of real estate and also in accordance with the average value of each parcel and the area to be assessed. Parcels of real estate having a very high value are generally more difficult to assess than parcels of lower value, and the district should be small. Where the area of the parcels is large the district assigned to the assessor may be larger in area and the number of parcels smaller. The following table may be helpful in determining how many assessors should be employed. It shows the number of assessors in the city of New York in 1914, the number of parcels assessed by each, the average value per parcel, and the average area of each assessor's district.

Borough	Number of districts	Average number of parcels	Average value per parcel	Average area of each district in square miles
Manhattan	16	5,881	$50,228	1.38
The Bronx	12	5,496	8,850	3.42
Brooklyn	23	9,271	7,336	3.39
Queens	18	7,451	3,310	6.52
Richmond	6	5,671	2,247	9.53
Total	75	7,221	13,683	4.20

TAX MAPS

It is strange but true that a great many cities in the United States do not have maps to show the various parcels of real estate within the city. To make a fair assessment without a map is either impossible or the work of a superlative genius. It is important that the tax maps should be accurate and show the dimensions of every separately assessed parcel of real estate. A good many cities have no such map of their own and use an insurance atlas which may be quite adequate for the purpose. A city ought to have maps of its own. If it has none, it should start the work of producing first-class maps. If it cannot produce those maps for the next assessment, let tentative maps be prepared which are as good as can be made within the time limit. Let a first-class map be started. In the thickly settled part of a city where parcels are small, the scale of the tax map should be 50 feet to the inch. In the rural section the scale may be reduced to 200 feet to the inch or even more.

For country towns very successful tax maps have been made from the

United States topographical survey at a very trifling expense to the town.[1]

Since 1890 there has been a system in New York of recording and indexing instruments affecting land by reference to a land map which divides the city into blocks having permanent boundaries. These blocks are ordinarily about 200 feet by 800 feet in area. They are bounded by streets, waterways, or other boundaries deemed to be permanent. No changes are ever made in the boundaries of these map blocks unless changes are made in the physical boundaries. The block system of indexing conveyances is much superior to the ordinary system of indexing alphabetically for a large area. The block system, creating as it does small areas, greatly facilitates searches.[2]

This plan of making the tax map blocks identical with the blocks on the land map has proved of great value and these sections of the New York charter may assist those in other cities who desire to establish a similar system.

A city may also be divided into sections of convenient size, each of them having an area of two to three square miles. The sections should never change after once being established and should be numbered consecutively from one up. The division into sections facilitates statistical comparison. The blocks should be numbered from one up consecutively for the whole city. The blocks of permanent maps should never change. In suburban sections tentative maps may be made in the first instance which may be replaced later by permanent maps and upon the permanent maps the block numbers should never change.

The blocks should be subdivided into lots in accordance with ownership. If the whole block is owned by one person, the lot may be the same in area as the block. The common practice of dividing land into lots in accordance with a development map and prior to the sale should be avoided. No subdivision on the tax map should be made until there is a change of ownership. In the long run, this is an advantage to owners. It saves maps; it saves labor of assessors and clerks; it simplifies the assessment roll. As lots are sold, the block should be divided in accordance with such sales. Lot No. 1 should be at the lower left hand corner of the block and the numbering may proceed around the block as the hands move around a clock. Care should be taken to fix the numbers of lots as a block is subdivided so that as nearly as may be, when the block is wholly subdivided, the lots shall be in numerical order. If the lots are numbered consecutively

[1] See paper by Edward L. Heydecker in Proceedings of N. Y. State Tax Conference, Jan., 1912. Proceedings may be obtained from N. Y. State Tax Department, Albany, N. Y. See Tax Map Act of 1913, state of New Jersey.

[2] See Chapter 24, Charter of the City of New York. The surveyor of the tax department makes the land map for indexing conveyances in the area of the old city.

Sections 891–a and 891–b of New York charter provide for tax maps. The blocks shown on tax maps are identical with blocks on land maps. A copy of the charter may be purchased from the *Brooklyn Eagle*, Brooklyn, N. Y., for 50 cents.

and thereafter one of the lots is divided, the part of the lot on the side of the lower lot retains the old number and the new lot is designated by the same number with a fraction or with the addition of a letter. When two lots are consolidated, the higher number is dropped. As changes occur in lot divisions, the tax maps are altered by the use of different colored ink and the addition of the year for which the alteration is made. If two lots are consolidated, the dividing line is crossed out by small crosses. A dotted line is drawn in the street in front of the lots in a semi-circle to indicate the consolidation and at the center of that dotted line is inserted the year date. If a new lot is carved out of an old one, the new division line is made with a different colored ink and opposite the line the year date is inserted.

The tentative land maps usually have very much larger divisions than the permanent tax maps to avoid the use of arbitrary lines and the splitting of parcels held in one ownership. A territory of considerable area may be designated as a plat, and when that territory is divided the lots are carved out of it and designated by numbers in the same manner as lots are designated within blocks of the size shown on the permanent tax maps. When a territory becomes settled and the permanent street layout is determined, the permanent tax maps are extended over the territory formerly covered by the tentative tax maps, the largest plat is cut into blocks, and those blocks again into lots. When such a change is made cross indices are prepared, so that the lots shown on the tentative maps may be readily identified with the lots shown on the permanent tax maps.

An assessing department should have two sets of maps: one set which is preserved in the office and another set for the use of assessors to carry with them in the field. A field map may for convenience be bound in volumes half the size of the office maps. In the front of the map volumes should be placed a key map made to a scale of from 300 to 700 feet to the inch or for rural territory a still smaller scale showing all the territory comprised within that map volume. The length of all boundary lines should be shown on the maps in feet and inches and on valuable lots of irregular shape the area should be shown in square feet. On large parcels the area should be shown in lots or acres.

The tax maps should be the basis of the assessment of real estate and it is necessary that if they are used as the basis they shall be accurate. The law should prescribe that the assessment should be made against the land itself and not against the owner. The validity of the assessment of real estate should not be affected by any error in the name of the owner. In the assessment roll lots should be described by section, block, and lot number in accordance with the tax maps, and the law should prescribe that "such numbers shall import into the assessment roll of real estate any necessary identifying description shown by the tax maps."

FIELD BOOK

Assessors will find that the use of a field book which is not the official assessment roll, but is intended solely for office and personal use, will be a great aid in the performance of their duty. If the block system of description is used, the field book will naturally be arranged with blocks in numerical order. If the block system is not in use, the arrangement should still be in similar form so that blocks will succeed each other in an orderly geographical relation and the blocks will then be described in accordance with local custom. The field book may well be arranged with substantially the following columns: in the first column the name of the owner or occupant; in the next and succeeding columns the following information—size of lot, size of house, building factor, stories high, number of houses on lot, house number, lot number, land value, total value, and about five additional columns so that the total value may be carried for a period of about six years. There may be two land value columns to carry the land for the preceding and current year. If entries are made in pencil, obsolete entries in the land value column may be rubbed out so that always the last valuation and the current valuation may be entered. On the remainder of the page the space may be used for information concerning conveyances, mortgages, rentals, and other facts bearing upon the value of the property.

DETERMINATION OF VALUE

The best evidence of the value of real estate is furnished by a number of sales made under ordinary conditions. The law of every state should require that the true consideration for every conveyance should be inserted in the deed. Unfortunately, this is not done at present and the actual facts concerning transfers of real estate have to be obtained from the parties to the transaction. It is essential that assessors should be well acquainted with real estate brokers and obtain not only the actual consideration for a transfer but the circumstances attending it.

As supplementing the evidence furnished by sales, actual rentals afford the best evidence and often the evidence of rentals is superior to the evidence furnished by sales. In using rentals as evidence, it is essential to determine whether or not the building is suited to the site. If the building is new, suited to the site, adequately rented, and properly managed, the total value of the property may be computed by capitalizing the net rent at such rate of return as is customary for such property in that city. When the aggregate value of land and building is known, the reproduction cost of such a new building may be deducted from the total and the balance should be the value of the land. An improved parcel of real estate, whatever the character of the building, is never worth more than the net rent usually obtainable, capitalized at the customary rate, unless the land itself, if it had no building on it, could be sold for a higher price than the capitalized net rent of the parcel with the building on it.

To arrive at the value of a depreciated building when the value of the land is known, the value of the land may be deducted from the capitalized value of the net rent. The remainder will be the sum added to the total value by the presence of the building in its present condition.

Assessors should always bear in mind the fact that particular sales are evidence, but never conclusive evidence. The fact that some particular parcel sold for a certain sum of money is evidence of the value of that parcel and evidence of the value of neighboring parcels. It may be very good evidence or it may be substantially worthless. It is necessary to know the attending circumstances of every sale before the value of the sale as evidence can be determined. If a buyer is accumulating several parcels to obtain a plot of a size adequate to some proposed improvement, he is likely to be obliged to pay a very high price for the last parcel. That sale taken alone is evidence of the great need of the buyer and the ability of the seller to demand a high price. It by no means follows that the adjoining parcel is worth such a sum. It is evidence that what is known as plottage in that particular section adds a good deal of value to small parcels. Again, it may be that the owner of a certain piece of real estate is in great need of money and is forced to sell under unfavorable circumstances at short notice. He may accept a price, because of his necessities, that is much less than the full value of the property.

Assessors are often puzzled by the problems presented by lot developments or subdivisions, as they are sometimes called. A lot developer, when able to market the lots quickly, must ordinarily get about three times his purchase price in order to recover his money, get fair wages for his labor, and some interest on his capital. If the sale is slow, he must get more than this in order to come out even. Sometimes assessors increase the assessed value of land that is merely marked out into lots by a series of stakes over the value of adjoining land not so marked for subdivision. If other conditions are the same, this is a great mistake. The mere marking out of a field adds nothing to its value. It is highly desirable that acreage property should be assessed just as much as land intended for subdivision. When the developer has, at his own expense, laid out streets and graded, paved, and sewered them, the lots are certainly worth more than before, provided there is any demand for the lots; but the addition to their value is generally no more than the cost of these physical improvements. The developer may now advertise his lots for sale and issue a price list. It will generally be true that the market value of the lots does not exceed 50 per cent of that price list. The buyer of a lot could not re-sell it for half the price paid under the ordinary circumstances attending such developments. As the sale proceeds and houses are built, the time comes when the list price and market value approach equality. Assessments should be increased under these circumstances in accordance with the facts.

LAND VALUE MAPS

It will be found in practice that to create land value maps is not only a very great help but almost an absolute essential to the orderly assessment of real estate. Land value maps must not be confused with tax maps. Land value maps do not show separate parcels of real estate, but only the boundaries of blocks. In preparing such a map, the space of the street should if necessary be distorted so that that space shall afford room enough to write figures intended to denote the value of the land. In small cities and country districts it will be found quite possible to make a wall map that will show the whole city or town on one map or sometimes two or three maps. These maps should be open to public inspection at all reasonable times. In larger cities the maps may be reproduced in book form for convenience of distribution.

The land value map is designed to show the value of the land per front foot on every side of every square in the built-up portion of the city and, on acreage tracts, the value per acre. As these front foot values are called unit values, it is obvious that they must always refer to the same thing. It is generally expedient to use a depth of 100 feet as the unit. Most of the rules for valuing short and deep lots are based on the 100 ft. unit. If, however, lots in the city in question are generally 125 ft. or 150 ft. deep, it may be better to use that depth as the standard unit. In any event there must be a standard unit from which there is no departure. This land value unit relates only to lots unaffected by corner influence.[3] It relates only to lots assumed to be lying normally with reference to the grade of the street. Under these circumstances, the unit of value means the same thing everywhere. It is strictly a site value.

Unit values are determined from all the evidence available consisting of sales, rentals, appraisals for mortgages, asking prices, bid prices, and any other evidence the assessor can accumulate. The necessity for fixing a unit tends to impose a check upon the use of the evidence of value. It is obvious that the value of the land on every street has a relation to the value of the land on every other street. When the units are set down on a map it generally appears that some evidence has been misinterpreted and the units have to be corrected in the light afforded by the comparison of values on different streets.

Having determined the value per front foot for a lot of normal size 100 feet deep, all normal lots will have the same value so far as that unit extends. If a lot, however, is below grade, the actual valuation of that lot will be reduced below the sum produced by multiplying the number of its front feet by the unit of value. Ordinarily that reduction would be equal to the cost of filling the lot to cellar grade. The same principle would be applied if the lot were above grade. It is depreciated in value by the cost of reducing it to grade level. Sometimes it may have a mountain of rock

[3] See page 525 for corner lot rules.

upon it and the cost of removing the rock would exceed the value of the lot at grade. In this case the lot will have some small selling value based probably upon the theory that some day someone may take the rock away for nothing because he wants it. On the other hand, it occasionally happens that a deep hole is worth more than the lot at grade because the owners of neighboring hills will pay for the privilege of dumping their hills into the holes. The assessor must use common sense and the knowledge of the existing circumstances and do it every day.

In appraising corners, the real test is the earning power of the land. Where two retail business streets of equal value intersect, the corner lot of normal size, say 25 feet, is usually worth more than twice as much as an inside lot; sometimes more than three times as much as an inside lot. The earning power of the corner is the only safe guide in determining how much the value of the corner exceeds the inside lot. If the appropriate sized plot for development at the corner is as much as 100 feet, the corner influence will extend 100 feet. If on the other hand, a person owning 100 feet would erect four separate buildings and produce the best results it is clear that the corner influence affects the corner lot exclusively.

In most growing cities, while large tracts of land are being cut into small lots in the suburbs, the contrary process goes on near the center; small lots are being combined to provide appropriate sites for large buildings. This latter condition gives rise to an increment of value known as plottage. Four lots, separately, may be worth $40,000. Those four lots adjoining each other in one ownership may be worth $50,000. Ordinarily, plottage ranges from about 5 per cent to 25 per cent. Whether there is any plottage value and how much it is, must be determined by the evidence under the circumstances of time and place.

There are numerous rules for determining the value of lots of greater or less depth than the standard depth. These rules are so nearly alike that the results are nearly the same unless the value is very high indeed. The Hoffman-Neill Rule, in use in New York, gives a value of 67 per cent to the first 50 feet of a lot 100 feet deep. (See page 525.) Other rules give a little over 70 per cent for the first 50 feet. Very useful tables for determining the value of short lots and deep lots are published in a pamphlet printed by the Ohio state board of commerce and written by Mr. A. C. Pleydell, secretary of the New York tax reform association. A convenient rule for determining the value of lots more than 100 feet deep is to add 9 per cent for the first 25 feet, 8 per cent for the next 25 feet, 7 per cent for the third, and 6 per cent for the fourth.

APPRAISAL OF BUILDINGS AND OTHER IMPROVEMENTS

The assessors should utilize to the full the help of engineers, architects, and builders, but they must do that with a complete realization of the fact that their problem is a different problem from that of builders. If they do not fully realize this, they will be misled into valuing buildings on

the basis of the cost of reconstruction regardless of whether the buildings are suited to the site or not. The full value of any building is the sum which the presence of the building adds to the value of the land. A building may be erected on quicksand. Its cost may be doubled. It is not worth one dollar more than if it had been built on good ground and cost half so much money. Occasionally one finds a new building that is so badly planned that the cheapest course to pursue is to tear it down and begin over again. Such a building is worth its junk value and no more. In every growing city there are handsome, costly, single-family residences that cumber the ground because no longer suited to the site. Let the assessor ask himself for what will this property sell; for what purpose will it be sold; if sold for the price he deems it to be worth, will the building be retained or will it be torn down.

In the discussion of determination of value a principle was laid down which it may be worth while to restate. When a building adds anything to the value of the land and is rented, the fair rental capitalized will give the total value of the property; if the value of the land is known, deduct the value of the land and the balance will be the value of the building.

It may be assumed that new buildings of the ordinary types are worth the cost of reproduction. It will be found usually that the number of types of building is not large. The assistance of builders and architects will be valuable in determining the cost of reproduction of these buildings. It is well to classify them carefully, and have photographs made of various types of buildings of which the exact cost is known. They will be valuable for reference. Architects usually compute the value or the cost of buildings by using the cubic foot as the unit. This practice should be followed in the case of exceptional buildings, but for ordinary types assessors will find it more convenient to use the square foot of floor surface as the unit. It is not always practicable to ascertain the height of buildings, while the area covered by the building must be ascertained and it is easy to count the number of floors and determine the square feet of floor surface. Generally, it will be found most convenient to disregard both interior and outer courts and take the gross area over all. Having ascertained the cost of several buildings of such a type, the cost can be reduced to the cost per square foot of floor surface. It is then a simple process to find the reproduction value of other buildings of like kind.

The square foot value of a building is termed the "factor of value." It is desirable to have a column in the field book showing the factor of value of each building. This makes it easy to compare the assessed value of one building with that of another when the size of the two buildings is different. Occasionally, a building is encountered which has higher ceilings than another. In this case, an appropriate allowance must be made by increasing the factor, provided the increased height of ceiling does, in fact, give greater earning power to the building having the higher ceilings. If it has no greater earning power by reason of its extra cost, it is not worth any more than the building that cost less.

To illustrate the method of using the factor, we may consider a building planned for offices, ten stories high, covering a site 100 feet by 100 feet; each floor would have 10,000 square feet; ten stories would give 100,000 square feet. The cost of such a building might be $6 per square foot in normal times; that would give a reproduction value of $600,000. A wooden cottage of the usual two story and attic variety would be regarded as two and one-half stories. If it were 25 feet by 30 feet in area on the ground, it would have 750 square feet per floor; two and one-half stories would be 1,875 feet and such a building in normal times of simple style might be erected for $2 a foot or a little less. At $2, the cost of the building would be $3,750.

There are many cities now using this system of factors of value. Among them are New York, Newark, Buffalo, Cambridge. Inquiry of these cities would probably bring some of the factors used in those cities for different types of buildings. This problem, however, is essentially a local problem and the particular factors which are appropriate in any city should be worked out for that city with the help of builders, architects, and engineers.

The same principles which have been applied to ordinary buildings apply to improvements of various unusual kinds. Unit costs must be determined and factors of value used. Where local assessors are required to assess the property of public service corporations, the courts ordinarily permit an assessment equal to cost of reproduction less depreciation. The question of selling value or market value must of necessity be eliminated if we must value a gas tank which has no value apart from the system of which it forms a necessary part. The same is true of an electric light power station or the rails and wires of a trolley line.

In nearly every city there are some buildings that are useful and in use but which because of very special character have little or no market value. In such cases the courts of New York have upheld an assessment based on cost of reproduction less depreciation.

CARD INDEX

To supplement the field book a card index will be found of inestimable value. It need not be constructed all at once. It can be built up from time to time until there is a separate card for every separately assessed parcel. Every lot of irregular shape or unusual depth or located on a corner demands a separate calculation of land value. When that calculation is made it should be preserved. The card should show the land value unit, a diagram of such a lot, and the actual calculation of the assessed value of the parcel. The card should exhibit simply the classification of the building, its ground area, the total square feet of floor area, the factor of value, and the total assessment. Where practicable, the card should show the date of construction and original cost. The card should further show all the sales and mortgages affecting the particular parcel.

As such a record as this grows, its value to the assessors cannot be overestimated.

RELATION OF ASSESSORS TO THE PUBLIC

If assessors are intelligent and industrious they have nothing to fear and everything to gain by the utmost publicity as to both methods and details. Owners of real property are apt to be timid and are easily irritated. They are prone to assume that assessors merely guess at values and are guilty of intentional favoritism. The only way to correct these misapprehensions, if they are untrue, is by publicity. It is desirable to get local papers to print descriptions of the methods of assessment employed and, whenever possible, to reproduce the land value maps. Great good may be accomplished by addresses by the assessors to taxpayers' associations and chambers of commerce. It is easy to get opportunities for such addresses especially if the assessors will get right down to the details of their work. Glittering generalities count for little; but if assessors will describe precisely the methods employed, with examples of how they are employed, and suggestions to the public for assistance, the public will meet them more than half way.

Every taxpayer who comes to the assessor's office to make inquiry should be given the information he seeks, and the opportunity should be utilized so far as practicable to explain the system.

The following plan has been tried with much success: When the taxpayer comes to complain, as many will come, he will meet the executive officer. Let that officer say to him, "Describe your property and I will make an estimate of its value before you tell me what the assessment is." The owner should be shown the land value map, a calculation should be made of the value of the land based on the unit of land value. The owner should describe his building and the officer should compute the value of that building based on the factor of value which would be applied to such a building at that location. If the officer strikes the right value for the assessment he has made a great point. The owner will be convinced, as no other experiment will convince him that there is a system which plays fair whether the results are satisfactory to him or not. He will be sure that he is not the victim of favoritism. If, on the other hand, the executive officer does not estimate the assessment at the same sum as the assessor, perhaps the assessor may be wrong and the foundation may be laid for a correction of the assessed value.

APPENDIX

ASSESSMENT OF SHORT OR DEEP LOTS

Hoffman-Neill Rule:

There are several rules or processes in use by property owners, real estate dealers and assessors to assist in the determination of values for different parts of lots. The oldest rule in present use was promulgated by

Judge Murray Hoffman some forty or fifty years ago, and is generally known as the "Hoffman Rule." Originally it appears to have been a simple deduction or declaration to the effect that the front half of a lot is worth two-thirds of the value of the full lot. The most elaborate tables based on this rule were published in the *New York Evening Mail* by its Real Estate Editor, Mr. Henry Harmon Neill, and are careful calculations of proportions resulting from the application of a rule that, taking 100 feet as a basis or unit of depth, the value for the first 50 feet of this depth is $66\frac{2}{3}$ per cent of the whole. The calculation has been carried out to show the proportion of value for each foot in depth from 1 foot to 100 feet.

HOFFMAN-NEILL RULE

Feet	P. C.	Feet	P. C.	Feet	P. C.	Feet	P. C.	Feet	P. C.
1	.0676	21	.4012	41	.5934	61	.7492	81	.8837
2	.1014	22	.4123	42	.6018	62	.7563	82	.8901
3	.1286	23	.4232	43	.6102	63	.7634	83	.8964
4	.1520	24	.4339	44	.6185	64	.7704	84	.9027
5	.1732	25	.4444	45	.6267	65	.7774	85	.9090
6	.1929	26	.4548	46	.6348	66	.7843	86	.9153
7	.2112	27	.4650	47	.6429	67	.7912	87	.9216
8	.2282	28	.4751	48	.6509	68	.7981	88	.9278
9	.2443	29	.4850	49	.6588	69	.8049	89	.9340
10	.2598	30	.4947	50	.6667	70	.8117	90	.9401
11	.2748	31	.5042	51	.6745	71	.8185	91	.9462
12	.2893	32	.5136	52	.6822	72	.8251	92	.9523
13	.3033	33	.5229	53	.6899	73	.8317	93	.9583
14	.3168	34	.5321	54	.6975	74	.8383	94	.9643
15	.3298	35	.5412	55	.7051	75	.8449	95	.9703
16	.3424	36	.5501	56	.7126	76	.8514	96	.9763
17	.3547	37	.5589	57	.7201	77	.8579	97	.9823
18	.3667	38	.5676	58	.7275	78	.8644	98	.9882
19	.3784	39	.5763	59	.7348	79	.8709	99	.9941
20	.3899	40	.5849	60	.7420	80	.8773	100	.10000

Lindsay-Bernard Rule for Inside Lots:

Lot 150 feet deep equals $100.

Depth from Front	Per Cent of Value	Depth from Front	Per Cent of Value
5	9.	90	84.2
10	15.	95	86.2
15	21.	100	88.
20	27.	105	89.6
25	33.	110	91.1
30	38.5	115	92.5
35	44.	120	93.8
40	49.	125	95.
45	54.	130	96.1
50	58.5	135	97.2
55	63.	140	98.2
60	67.	145	99.2
65	70.6	150	100.
70	73.9	—	—
75	76.9	175	103.
80	79.6	200	105.
85	82.		

It will be observed that the Lindsay-Bernard rule for short lots is nearly the same as the Hoffman-Neill Rule and the latter may be used to apply the Lindsay-Bernard principle to the assessment of corner lots.

ASSESSMENT OF CORNER LOTS

We do not believe that any rule for the appraisal of corner lots has ever been devised which has universal application. While the Hoffman-Neill Rule is of very general value for the determination of the value of short lots all appraisers are well aware that it can generally be applied only to plots of land which are of usable shape and size. The same principle applies to any rule for the determination of the value of corner lots. Moreover, while a corner 100 feet square in one ownership may be increased in value as to all of its area by reason of its corner position it is generally true that the corner influence does not extend beyond a permanent structure erected on the corner even though that structure be only 25 feet wide.

While no rule should bind the judgment of an intelligent assessor the study of rules may be of great aid to judgment. For the purpose of consideration and discussion we print the more important part of the rules formulated by Mr. W. A. Somers for the determination of the value of corner lots, also the simple rule presented by Mr. Alfred D. Bernard, Special Assessor to the Appeal Tax Court of Baltimore, as set forth in his book "Some Principles and Problems of Real Estate Valuation."

The Somers Rule:

For the determination of the increment of value attaching to a plot of land 100 feet by 100 feet on a corner over what it would be worth if it were an inside plot, Mr. Somers has constructed a curve. When this curve is laid down upon a sheet ruled in squares representing one foot every variation of value may be determined with accuracy. As a practical matter ten variations of the rule will ordinarily suffice. The principle upon which Mr. Somers's curve is based is the fact that a corner is more valuable as compared with an inside lot when streets of equal value intersect than when a street is intersected by one of less value.

Corner lots 100 by 100 are increased above the value of inside lots. The greatest increase is when two streets of equal value intersect each other and the smallest increase is that due to a blind alley which amounts only to an easement of light and air. The following table shows the percentage of increase enjoyed by a corner lot determined by the relative value of the intersecting street to the best street when the best street has a value of $1,000 a foot. The corner 100 by 100 is increased as follows:

Side Street Value	Per Cent	Side Street Value	Per Cent
0	6.	$600	25.2
$100	8.3	700	30.2
200	11.1	800	36.2
300	14.1	900	43.2
400	17.3	1,000	51.
500	21.		

When the aggregate increase of a corner lot 100 by 100 has been determined from the previous table, the value of a lot of any width 100 feet deep

fronting on the best street may be ascertained from the curve of value. The following table shows the percentage of the total corner increment for a lot 100 by 100 which attaches to various parts of the lot. Thus 5 by 100 on the corner is increased by 23.5 per cent of the total increment for the whole lot 100 by 100 as shown by preceding table:

Feet	Per Cent	Feet	Per Cent
5	23.5	55	92.
10	38.5	60	94.
15	50.4	65	95.5
20	59.3	70	97.
25	67.4	75	97.9
30	73.5	80	98.75
35	78.8	85	99.2
40	83.	90	99.5
45	86.5	95	99.8
50	89.4	100	100.

The Lindsay-Bernard Rule for Corner Lots:

Mr. Bernard explains the valuation of corners as follows:

"In our work in Baltimore City, we studied the situation carefully and tried out various theories on hundreds of known sales, and we found that as long as we tried to fix a rule to measure the extent of corner influence, we could not reach a satisfactory rule of value which could be proven; but if we fixed the extent of corner influence by the normal utility of the corner and recognized the property lines of individual owners, we could reach a *minimum* value for a corner lot which we could prove almost invariably.

"We found that unless the corner lot was a small one that ordinarily corner influence did not extend beyond the actual corner holding, and if the lot itself was available for the best utility of the zone, we were sure of it; and if any additional value attached to the adjoining inside lot, it was potential and speculative, the exception being where we were appraising lots on low valued side streets working up to high valued main streets.

"Therefore, to get the value of a corner lot in the business district of a given city, we proposed this rule, which, because of the co-operation of my co-worker in the department of assessment and review of Baltimore, we have called the Lindsay-Bernard corner lot rule for business districts.

"First, reduce the lot to its logical front, which will be on the highest valued street, whether the lot actually faces it or sides on it.

"Second, find its value as an inside lot on the main street.

"Third, find its value as an inside lot on the side street, producing it on the Lindsay-Bernard rule; the sum will be the minimum value for the corner.

"Fourth, add all the minor factors of value, which suggest themselves to an intelligent appraiser.

"This is as far as we can go, and we believe we have gone the limit."